Minneapolis—The City of Lakes

MINNEAPOLIS, the City of Lakes, tourists and conventions, is the leading wholesale and retail center of the great Upper Midwest. Covering an area of 58.79 square miles, the city has a population of 521,718. Due chiefly to the vast area of wheat in Minnesota and adjacent states, as well as power supplied by St. Anthony Falls in the Mississippi River, the basic industry during her early days was flour milling. Later, diversified agriculture increased the importance of other products in relationship to flour milling, but it is still the center of the flour milling industry, and is the largest cash grain market in the United States. The city is the hub of all important transportation in the Upper Midwest.

With 1,310 manufacturing plants, Minneapolis has become a diversified industrial center. It is a world center for linseed oil products, and an important center for the manufacturing of jewelry, apparel, dairy and food products, iron and steel products, animal feeds, furniture, pottery, mill work, confectionery products, artificial limbs, hearing aids and electrical control equipment.

Minneapolis is proud of her 151 parks spread over 5,823 acres; five municipal and 11 private golf courses; 186 concrete and 12 clay tennis courts; 22 lakes and lakelets; 30.6 miles of shore lines in the park system; 15 swimming beaches; 36 supervised playgrounds and 62 miles of parkways and boulevards.

The Aquatennial, a world-famous festival designed to spotlight Minneapolis and to provide citizens with recreational, cultural and social activities, is conducted during a 10-day period each July. A famed Minneapolis landmark is Minnehaha Falls, some 53 feet high, celebrated in Longfellow's poem, "Song of Hiawatha."

The city has 420 church congregations, 35 hospitals, 56 theaters, and boasts 151,000 homes. Financially, it is the home of the Ninth Federal Reserve Bank, Bank Shares Corp., First Bank Stock Corp., and Northwest Bancorporation.

Minneapolis is the home of the University of Minnesota, which has 18,000 students enrolled in day school and 17,500 in evening and correspondence courses. Her public school system has nearly 100 schools, employs a staff of 3,500 educators and service employees and has an enrollment of 67,000 pupils. In addition to the public schools, Minneapolis is well known for its fine business, trade, vocational, music and other private schools.

The cultural life of the city is well exemplified by the famed Minneapolis Symphony Orchestra, one of the most traveled organizations of its kind in the United States. Other leading musical attractions are the University of Minnesota's Artists Course, the Metropolitan Opera Association's traveling company's yearly appearance and the regular legitimate and musical stage productions.

The Walker Art Center, Minneapolis Institute of Art, Swedish Art Institute and University of Minnesota Gallery exhibit prints, paintings, sculpture and photography regularly. Above all, Minneapolis is a city which counts her wealth in the quality of her people.

Minneapolis is the home of the Retail Credit Association of Minneapolis; the local unit of the National Retail Credit Association with over 300 loyal members.

CREDIT WORLD

ONLY PUBLICATION SERVING THE ENTIRE FIELD OF RETAIL CREDIT

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The CREDIT WORLD

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Fifty Golden Years

Robert W. Ringsrud
Northwestern Investment Company, Minneapolis, Minnesota
***President,* Retail Credit Association of Minneapolis**

A BIRTHDAY anniversary is always a joyous occasion, given to reflection and retrospect. If the art of boasting can ever be excused, it certainly must be when one is celebrating an anniversary. These lines are written to serve a twofold purpose: to acquaint you with the fact that the Retail Credit Association of Minneapolis is this year observing its Fiftieth Anniversary, and second to tell you about our town. If I seem to indulge in idle boastings and vainglory, please forgive me. It is just that we are very proud of the city we live in, and the history and achievements of our Retail Credit Association.

To the casual observer, Minneapolis appears as a comparatively new town, still in the pioneering stage, Indians lurking about for scalps, horses tied up at the general store and wooden sidewalks. True, its ancestors and founders were not on the Mayflower, but history tells us that white men visited the site of Minneapolis in 1683. Explorers and missionaries continued to come to this area, until men with foresight and vision, recognizing the vast potential in agriculture, lumbering and water power, began to settle here. The raw wilderness to the North, the sprawling plains to the West, and the mighty Mississippi all offered vast opportunities to those who would bend a shoulder to the task. Thus was born the town which eventually became known as Minneapolis, the breadbasket of the nation. Its flour mills became the largest in the world, its grain market does the largest volume of cash grain trading in the world. Other industries have followed in their wake to make Minneapolis a leader in machinery manufacture, lumbering, meat packing, and dairy products. Large banking and insurance institutions headquarter here together with rail and airlines. In a comparatively short time it has grown to a city of over a half a million and serving a metropolitan area within a radius of less than fifty miles of 1,250,000 people. Together with its twin, St. Paul, it is the port of entry to the great Central Northwest.

We are proud of our Main Street, known as Nicollet Avenue. It is to the Northwest, what Fifth Avenue is to the Atlantic Seaboard, what State Street is to Illinois, what Pennsylvania Avenue is to our nation's Capital. It bisects the town and everything converges to it. The department stores and specialty shops which line it are among the largest and finest in the land.

With all her industrial and commercial achievement, Minneapolis has held stubbornly on to her natural heritage and cultivated it. Her parks and boulevards, the eleven lakes within her boundaries, her beautiful homes, churches, schools and public buildings combine to make it one of the nation's beauty spots. In the Arts and Sciences, we have the world famous Minneapolis Symphony Orchestra and the University of Minnesota which ranks as the second largest University in the country. In the field of athletics, one need only call your attention to the Minneapolis Lakers of professional basketball, or the Golden Gophers of the gridiron. These are just a few of the things about our town.

Now, about our Association. Let us turn back for a moment to the year 1904. Theodore Roosevelt has been re-elected President of the United States. Russia is at war with Japan. The World's Fair is being held in St. Louis, Missouri. There are strikes and labor unrest in the steel mills, in the mines and in the meat-packing industry. Wheat is selling at $1.08 and cotton at 14 cents a bushel. The ice cream cone is introduced to the American public. The population of the city of Minneapolis is a little over two hundred thousand people.

On a day in July 1904, eleven individuals, representing eleven of the leading retail firms of Minneapolis, met together to discuss their mutual problems and to formulate a credit organization. A constitution was drawn up:

"We, the undersigned, representing the credit department of various retail establishments doing business in Minneapolis, hereby associate ourselves together informally for acquaintance and social intercourse, and for the interchange of such information as may be for our common interests.

"This body shall be known as the Retail Credit Association of Minneapolis.

"Regular meetings will be held on the third Wednesday of each month at 6:30 P.M. when the members will lunch together at such place as the officers in charge may select.

"The membership fee will be twelve dollars per annum, payable in monthly installments.

"Information in relation to credits which may be obtained through this association, is for the use of members only, or the firms which they represent, and is not to be used in any public manner."

It is noteworthy to mention that one of the original charter members of this group is still alive and an active member of our Association. He is Thomas Johnson who was Credit Manager at Powers Department Store and served in that capacity until he retired 10 years ago after 68 years with the same firm.

We are continuing to hold our monthly meetings every third Wednesday at 6:30 P.M. The annual dues have been increased to Twenty Dollars which includes the membership in the National Retail Credit Association. In addition, a smaller group, representing the downtown stores, have been meeting weekly for almost the same length of time for a luncheon meeting. The present membership of our organization is 320 firms.

Since 1920 we have published our own monthly maga-

(Turn to "Golden Years," page 28.)

Home of the Yellow Book

C. A. Wildes

***Secretary-Manager,* Credit Bureau of Minneapolis**
***Secretary,* Retail Credit Association of Minneapolis**

CREDIT REPORTING in Minneapolis through a central agency can be traced back to the year 1891, at which time the bureau was known as the Union Credit Company. They published a credit rating book, in which the preface read in part as follows: "This issue is made up by nearly 1,300 different houses and contains their experience on about 40,000 different consumers."

The yearly membership rate for one copy of the consumer report book and weekly notification sheets was $6.00. Special reports were priced at 50 cents each, and it mentioned specifically that no reports would be furnished to nonmembers. This original book contained 348 pages, and the rating symbols were much like the ones in use today. They included the prompt accounts, medium accounts, and slows.

In 1895 a different publication came out known as the "Trust Book." This was published by Holbrook & Elliott Credit Company, as successors to the Union Credit Company. The "Trust Book" differed from its predecessor in that it contained only derogatory ratings, which today would commonly be known as a "black list."

Apparently that type of credit guide did not meet with wholehearted approval, because shortly after the turn of the century another book came out, known as the "Elliott Credit Guide," in which both good and bad ratings were listed. This was red in color and was known as the "Red Book."

As a supplement to the income, space for advertising was sold to quite a large number of firms, and the bureau itself publicized the fact that "Our four telephones and extensions cost a heap of money and are only made necessary by the large number of inquiries we receive every day."

Prior to 1916, the credit bureau was under private ownership. In 1916, however, it was purchased by the merchants and, under the able direction of its first manager, Sherman L. Gilfillan, the bureau made considerable progress year after year. (Mr. Gilfillan was the first President of the National Retail Credit Association.) Our present Credit Guide, known as the "Yellow Book," was first published in 1917, and the credit bureau was then known as the Minneapolis Associated Credit Exchange, with its offices located at 806 Nicollet Avenue. The name was later changed to the Minneapolis Credit Exchange, Inc., and then more recently, to the Credit Bureau of Minneapolis, under which name we still operate.

Changes have taken place, too, in the amount of space occupied. As the city grew and prospered, so also did the Credit Bureau. Each time a move has been made it has been for the purpose of acquiring larger quarters. In our present location we occupy 7,500 square feet, in which space are located the Credit Bureau, and offices for the Stores Mutual Protective Association, an organization owned and operated by leading firms for the purpose of combating bad check artists, shoplifting, etc.; Charga-Plate Stores of Minneapolis; Retail Credit Association of Minneapolis, and the Associated Credit Bureaus of Minnesota.

Today there are over 1,750 firms who pay annual dues to the Credit Bureau of Minneapolis, and we are proud of the splendid cooperation we receive from those members when the request is made for their annual credit ratings.

In 1917, when the first "Yellow Book" was published, it contained 202,692 ratings on approximately 63,000 firms and individuals. The book weighed about one and three-fourths pounds. Today the current copy of the "Yellow Book" contains 1,045,000 ratings on 322,000 firms and individuals, and each volume weighs 6 pounds and 13 ounces. If each of the rating slips which we receive this year were to be placed end to end, they would span a distance of about 75 miles. All of the work in compiling the ratings is done by the members themselves. We have approximately 75 permanent employees, and another 45-50 are hired each year to work from February to September assembling the ratings for the Credit Guide.

Comments have been made that when a bureau publishes a credit guide its reporting business will suffer. This I can assure you has not been true in Minneapolis. As a matter of fact, from figures published by ACBofA, we compile as many reports as cities with even larger populations.

The "Yellow Book" also serves as more than just an aid in the extension of credit. It is a valuable tool for identification of individuals cashing checks. It also serves as an excellent new account solicitation medium. We firmly believe that it has been most valuable in increasing the number of members and holding them.

In addition to the Credit Guide, we also publish a *Daily Bulletin,* which contains a listing of all non-sufficient-fund checks that are passed each day, a list of all bankruptcies and the names of the creditors and amounts involved, plus suits, garnishments, chattel mortgages, warnings, etc.

For approximately 30 years, our Retail Credit Association has actively promoted a "pay promptly" advertising campaign, and featured in every ad is the "Yellow Book." Our consumers have therefore become very aware of the fact that, unless they pay their bills promptly, their credit rating in the "Yellow Book" may be impaired.

We, in the Midwest, through the development of oil resources in Montana and the Dakotas, together with the mining of taconite ore on the Iron Range and the culmination of the proposed St. Lawrence waterway, look forward with assurance to continuing prosperity for years to come. Credit will surely continue to expand as it has over past years and we are confident that the services of the Credit Bureau will continue to expand as well. ★★★

Our Prompt Pay Campaign

Kenneth W. Hultgren
***Credit Manager,* Dayton's, Minneapolis, Minnesota**
***Chairman,* Pay Prompt Campaign**

THERE IS an old saying that "talk is cheap." I am afraid that with the speed and efficiency of the modern press that phrase may be enlarged. Often I am faced with the task of reading large quantities of printed materials that cross my desk. After laboring through it, I have often discovered that much of it was not worth the time. Consequently, when I have been called upon to write anything, I am reminded that I must be easy on the people who like myself find their required reading too much for them. I hope this will be helpful and to the point.

If you were to ask any Minneapolis credit executive, "To what do you attribute the favorable 'credit climate' in your area?" the answer would probably go like this:

(1) We have a very healthy Credit Bureau situation.
(2) We have a fine credit guide in the Yellow Book.
(3) We enjoy a rather stable economy in our area.

But prominent in such a list would have to be . . .

(4) the efforts made by Minneapolis credit executives over the last 30 years to educate our people in the proper handling of their credit privilege.

Features of Prompt Pay Campaign

An important phase of this educational work has been the annual Pay Prompt Campaign inaugurated in 1924. It is the purpose of this article to outline the features of this program in the hopes that you and your community may find something worth while to copy.

Prominently at the root of our Pay Prompt Campaign each year is the feeling of cooperation in a community effort for our common good. All of us have discovered at one time or another that to cooperate on a project many times may mean to sacrifice some small individual privilege. I have heard of situations where credit people could not get together because they were perhaps a little suspicious of each other. This we have learned hurts more than it helps and by sacrificing in a small way, we have gained a great deal. *A campaign such as this must be rooted in cooperation.*

Each Fall the entire memberships of the Minneapolis Retail Credit Association and the Minneapolis Credit Bureau are solicited for contributions for the coming year's Pay Prompt Campaign. We have been fortunate in having several large contributors but it is our present aim to enlarge this base with many small contributions. A contribution, no matter how small, identifies a giver with the promotion, and consequently he is more interested in what is being done. Last year we raised approximately $10,000 and we hope that we may equal this in the coming year.

Our money was distributed primarily between outdoor billboards and newspaper advertising, the general theme being the same, "It Pays To Pay Promptly." In all of our advertisements we stress the asset, the pleasure and pride that the customer has in a good paying record. We had 12 billboards around town for a month's duration every other month. Our newspaper ads were of the full-page and quarter-page size. In years past we have tried short spots on TV, transportation ads, statements inserts and various gimmicks. The media used have been varied, but the story has been the same. In conjunction with such advertising, the Educational Committee has done a fine job in contacting Minneapolis high schools and the University of Minnesota and has conducted a special credit course in one of our local night schools.

The Pay Prompt Committee is appointed by the Board of the Retail Credit Association each year and is usually composed of three credit men and with the help of a local advertising agency, they draw up the principal ideas for the campaign. These plans are then approved by the Board. We devoted several newspaper ads and one billboard this year to returned goods. In comparing our return percentages, we feel that this was a profitable expenditure.

Tentative plans include newspaper, bus ads, high school and college lectures by Minneapolis credit personnel and a movable display to be placed in bank lobbies, windows, etc., all emphasizing our same theme, "It Pays To Pay Promptly."

Maintaining Our Present Economy

Credit is one of the great geniuses of 20th century merchandising. It is also one of the most important factors in maintaining our present economy. Thus it is imperative that we, who are responsible for the extension of credit, keep it in a healthy state. To do this, we must do much of our educating before the collection notices begin. The fact that we, in Minneapolis, are enjoying a large credit volume with small losses and good collection percentages is not sheer happenstance. The credit customer of today is quite much a product of those people who educated her yesterday. Many of the situations we find ourselves in today are those that we have inherited. This is no less true in credit. Therefore, it is our responsibility to not only manage today's credit, but also plow back part of our effort to educate the credit customer of tomorrow. We are much interested in our credit customer of tomorrow because we in Minneapolis plan to be here bigger and better than ever. ★★★

Reading this publication carefully and regularly will contribute to your success as a Credit Executive.

Collections in Minneapolis

Earle B. Dows

***Manager,* Minneapolis Collection Bureau, Minneapolis, Minnesota**
Past Chairman, Collection Service Division, Associated Credit Bureaus of America

MINNEAPOLIS has, for almost 40 years, enjoyed the reputation of having the lowest percentage of credit losses and by the same token the highest percentage of collections of any large city in the country. For many years this fact has aroused a considerable amount of curiosity in other sections of the country as to why this should be.

The proponents of Minneapolis' Pay Promptly campaign have been inclined to take a great deal of credit for this situation and I think there is no doubt but that much of it is due to this well organized campaign. There is no question about its effectiveness. As a matter of education it is far reaching and has made many people credit-conscious. It has served to enlighten many thousands of people concerning the existence of the Credit Bureau; what it is and how it can affect the private daily lives of each one of them, where otherwise their information would be sketchy, inaccurate and distorted. However, the Pay Promptly campaign cannot be credited with being the sole reason for our credit picture because Minneapolis stood at the top in low credit losses long before there was such a campaign.

Minneapolis a Rating Book Town

Another reason advanced is our Credit Bureau and the existence of its credit guide, which is known as the "Yellow Book," which distinctive volume is surprisingly well known. Minneapolis has had a credit guide dating back to the Middle Ages of credit. Prior to the formation of our present merchant owned Credit Bureau, such a guide was published by a series of privately owned credit bureau operators. Minneapolis has therefore long been a "rating book town." I am familiar with the various types of credit bureau operations and know that the Credit Bureau in Minneapolis is one of the most efficient and outstanding in the country, and the "Yellow Book" circulation is one of the largest of any credit guide. There is no question but that the Credit Bureau, with its credit guide, is a major contributing force to the low percentage of credit losses in Minneapolis. But, it is not the sole reason for our local credit situation for other lines of endeavor, which make little or no use whatever of credit bureau information, also boast the highest percentage of collections and the lowest percentage of credit losses of any major city in the United States. I refer specifically to the medical profession in Minneapolis which has the lowest percentage of losses of any medical association of any large city in the country and we all know that it is rare indeed that a physician really uses credit bureau facilities or is influenced by it, when his services are required. Another group which never obtains credit information is the magazine agencies which sell periodicals on the installment plan. It is a mystery to them, but a recognized fact nevertheless that Minneapolis is somewhat of a paradise to them insofar as their collections are concerned. Their sales are relatively in small amounts and of course, no recourse whatever is had to credit information before making the sale.

What, then, is the major factor responsible for this enviable situation from the retailer's standpoint? In my opinion it is the existence of our garnishment law. We have had, for many years, the most favorable garnishment law of any state in the Union. The cost of instituting suit and garnishment in Minneapolis is low. Garnishment can be run simultaneously with the commencement of the main action. No bond is required. The debtor's exemption is low and in most cases non-existent. The garnishment law in Minnesota is a rather comprehensive thing and in its practical application is intended to take the place of many of the attachment statutes which other states have. Its influence on collections is tremendous. It is a potent force merely by its very existence. At every session of the State Legislature attempts are made to modify and even to emasculate it but the 50 Credit Bureaus in Minnesota through their memberships have so far successfully resisted any major change. It requires constant vigilance on the part of these credit associations who have learned through the years what is necessary in the way of organization and effort. The loss of our garnishment law would be a serious thing in this state for we have no substitute for it, such as the attachment statutes referred to. The threat of collection activity on the part of the creditor is often just as effective in effecting a collection as such a threat by an attorney or a collector would be elsewhere. This is known to merchants and credit people here and as might be expected, thorough utilization of their own effort is made before accounts are referred to agencies for collection.

Collection Agencies in Minneapolis

An example of what this means can be perhaps very graphically illustrated when I tell you that there are only 12 collection agencies in Minneapolis, a city of 525,000 people. Of these 12, several are only one-man and one-girl offices. There are others not much larger. I do not believe that the total of all collection business from all possible sources being referred to agencies for collection in Minneapolis is as much as $100,000 per month. This, I think, tells much of the story. ★★★

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

A Backward Glance at a Forward Step

Lily Person

Plymouth Furs, Minneapolis, Minnesota

Past President, Credit Women's Breakfast Clubs of North America

RIGHT AND WRONG were either white or black in our Grandmother's day. There were no in-between shades of grey. I did not know there were any greys in credit granting either when I started working 25 years ago. I thought people were either honest, and you opened an account for them, or they were considered dishonest, and you refused to grant them credit. It came as quite a shock to learn that there were men who felt they had to belong to too many golf clubs, and women who just had to have that second and third hat, although the bill for the first remained unpaid.

I learned quickly about that white portion of our credit horizon. That was the portion made up of the names of our customers who made purchases faithfully each month, and paid their bills on the tenth when they were presented. We were grateful for these accounts 25 years ago, as we are today, but at that time we gave them little of our attention.

Away down at the bottom of this lovely credit horizon was a border line of black. We paid little attention to this portion either, inasmuch as it was made up of accounts that figured less than one-tenth of one per cent of all our credit sales. We sent monthly statements and telephoned once or twice after writing a collection form letter, but we wanted to forget these errors as quickly as possible, so we gave these accounts to our attorney or collection agency for their attention, and charged them off to Profit and Loss.

But in between the white and the black strip of our credit horizon were the greys. Like clouds they changed color, billowed about and gave us sleepless nights and worry wrinkles. We hoped too many of our accounts would not move down from that white portion into the grey section, and that we might be able to find a workable plan to curb their increase.

I say *we* without reservation, as I have learned there were many of us whose experiences were comparable, and who received guidance and encouragement when we became active members of the Retail Credit Association of Minneapolis. For more than the 25 years the members of this association recognized and battled the danger of the grey clouds through various channels. The active credit groups such as the automotive, fuel, furniture, Thursday and Friday luncheon groups, combined their energies and talents with those of the various committees to make the citizens of Minneapolis the most credit conscious people in the United States. The members stood ready, too, to counsel and to give advice to those new in credit like myself.

Twenty years ago the Retail Credit Association welcomed with enthusiasm the birth of the Credit Women's Breakfast Club in Minneapolis. They had the foresight to recognize the fact that this organization could fill a need, and reach those girls whom they had been unable to help up our credit ladder.

Women have always played an important role in our Retail Credit Association of Minneapolis, one woman being a charter member of the group when they organized 50 years ago. The credit men have welcomed their assistance over the years, as they have held the various offices, directorships, and been important committee chairmen, with never a thought of personal gain, thinking only of what might be best for our association.

While the Credit Women's Breakfast Club members have had their own educational program, they have also taken advantage of attending the adult educational classes and our University of Minnesota Extension classes in credit granting, collections, and credit letter writing, which the members of the Retail Credit Association have sponsored. It is interesting to read the names of those registered in our classes, and to note the enthusiasm of the students and of their employers when certificates of merit are awarded. They know the value of education in not only dispersing the grey clouds of today, but also keeping them away from tomorrow.

It was Huxley who said "the rungs of the ladder were never meant to rest upon, but only to hold a man's foot long enough to enable him to place the other somewhat higher." Our Retail Credit Association members have realized that they must be alert right from the start to the possibility of study in order to forge ahead to a better position in their chosen field. As they have climbed they have always given consideration and a helping hand to those battling the grey clouds a rung or two below them on our credit ladder. ★★★

Credit Education in Minneapolis

O. J. Van Lander

***Credit Sales Manager,* John W. Thomas & Co., Minneapolis, Minnesota**
Former, *Secretary Treasurer,* District Six, N. R. C. A.

CREDIT EDUCATION has always played an important part in the activities of the Minneapolis Retail Credit Association. In our monthly meetings, we try to have an educational feature that will benefit our membership. This may be in the form of a talk on some current credit problem or a panel discussion led by one of our members.

Many years ago, a committee was appointed to draw up plans for an advertising campaign to stimulate prompt payment of charge accounts. The leading merchants of Minneapolis were solicited for cash contributions and a substantial amount of money was raised. This enabled our Association, through the medium of newspapers, billboards, streetcar cards, radio, and later, television, to keep the public informed that "It Pays To Pay Promptly." This campaign has been continued every year since its inception, with the exception of the war years when Regulation "W" was in effect, and has been instrumental in maintaining an unusually high collection percentage in the Minneapolis stores.

In 1935, through the cooperation of the late Colonel C. C. Minty, Assistant Superintendent of Schools, we were able to approach the high school students in the ninth and tenth grades in an auditorium period in which speakers from our Association outlined the history of credit, the important part it plays in our daily lives, and the value of a good credit rating. Each student was given a booklet called the "3 C's of Credit," prepared by our Association, with the request that it be taken home and studied. In this way we not only contacted the potential future users of credit, but also brought the booklet into the homes where other members of the family might read it. This was followed by class visitations to our Credit Bureau where the staff members explained the methods used in gathering credit information, how it was kept in the files and revised from time to time, and given to the various merchants and professional people who were members of the Bureau. They were also shown the method used in compiling the "Yellow Book," the credit guide of Minneapolis. These lecture periods and visits to the Credit Bureau proved to be so popular with the students that plans are now under way to include a course on Retail Credit in the high school curriculum.

It was felt that in order to round out our educational program that the junior members of our credit offices should also receive some credit instruction. Arrangements were made for a course in retail credit through the Extension Division of the University of Minnesota. Evening classes were held in a downtown office building, and the instructor was one of the associate professors of economics. These classes were continued for several years with a fairly good attendance and the theoretical side of credit was well presented by the instructor.

In order to broaden the scope of this course, the Educational Committee felt that greater emphasis should be placed on the practical application of credit. The Board of Education offered us the opportunity to conduct an evening class in retail credit at the Minneapolis Vocational High School with an instructor to be selected from our Credit Association. This offer was accepted and the first class was held in September 1947. The enrollment was so large that it was necessary to divide the students into two classes. The instructors were K. V. Steenson, Credit Manager, Midwest Oil Company and O. J. Van Lander, Credit Manager, John W. Thomas & Co. Classes were held one night each week for a period of twelve weeks, with the sessions lasting from one and a half to two hours. We used Dr. Phelps's book, *Retail Credit Fundamentals,* published by the National Retail Credit Association, supplemented with information derived from other textbooks and from personal experience gathered over a period of many years. At the conclusion of the course each student was given a certificate by the Board of Education and a diploma was offered by the N.R.C.A. to anyone who received a passing mark.

Over 500 students have attended the classes which have been continued each year and without exception they have expressed a liking for the course. Their employers have told us that these students have shown an increased interest in their work and that many have secured promotions as a result of the knowledge they gained about credit department operations. We are firmly convinced that credit education pays real dividends and we gladly recommend it to every Credit Association. ★★★

Organize a Credit School Now

Reservations for retail credit schools sponsored by the N.R.C.A. and conducted by Sterling S. Speake are now being received by the National office. Local retail credit associations and credit bureaus wishing to sponsor such schools should act quickly, as many schools are now being definitely arranged.

For full details and for information concerning open dates please complete and mail this coupon today.

National Retail Credit Association
375 Jackson Avenue
St. Louis 5, Missouri

We would like to have a Retail Credit School conducted in our city by Mr. Speake. Please give us date the Course can be scheduled for us. If possible, we prefer it to be scheduled during the month of ______________ or month of ______________
(1st choice) (2nd choice)

Name ______________________________

Address ______________________________

City ______________ **State** ______________

Retail Credit Management Institute at University of Oklahoma

JOHN F. MALONE, *Extension Specialist,* The University of Oklahoma, Norman, Oklahoma

"It's two down and one to go!" You overhear this exclamation as you happen into a dormitory on the campus of a large university in the southwestern United States. The spokesman is a student. You wonder what he means by that remark, so you survey the situation a bit further. There are other students exchanging light-hearted remarks with him. Some of them seem to be making preparations for departure. You learn from the conversation that all of them have just completed a course at the university and are now getting ready to return to their respective homes.

"Two down and one to go" has nothing to do with a football game. It means that he has finished his second course in Retail Credit, and he has to complete only one more course for his diploma award. This, you learn as you listen to the discussion. You learn, too, that these are not just ordinary students. These are the practical, hard-working, ambitious variety of fully employed adults who believe in education as a lifelong venture.

These men and women have just completed a course in the Retail Credit Institute at the University of Oklahoma. They are obviously happy, and this is as it should be; for certainly happiness should be one of the rewards for their week of intensive, highly specialized, and concentrated course of study. They are glad of other things, too. They have made many lasting friendships. Theirs is the feeling of a job well done, and theirs is the security of knowing they are prepared to tackle still bigger jobs with renewed confidence.

You look at these people and you are deeply impressed. Then you check the record, and you find that some of them have traveled more than a thousand miles to attend this course. They have come from 12 states: Florida, Michigan, Illinois, South Dakota, Louisiana, Mississippi; and from Arkansas, Kansas, Missouri, New Mexico, Oklahoma, and Texas.

Why? What impelling force has brought these 46 people to the University of Oklahoma in this summer of 1954? If you turn to Leonard Berry you will probably find the answer, for he is the gentleman who is largely responsible for this convocation. As Educational Director of the National Retail Credit Association, he spearheaded organization of the first Retail Credit Institute at the University in 1953 as well as the second Institute in 1954. He will tell you that these students come to the Institute (1) to enhance their personal careers and (2) to learn how to do a better job of managing credit sales for the firms they represent.

If you are further interested in the progress of these students, you may take another look at the record. There, you will find that the plan of the Institute is to offer a series of three one-week courses which will lead to a diploma award of *Certified Manager of Credit Sales.* In 1953, the first year of the Institute, only the first course was offered. In 1954, both the first and second courses were offered; and in 1955, all three courses will be included. Official figures indicate that at the close of the 1954 Institute 75 students have completed one or more courses. Of this number 42 students have completed the first course only; 10 have completed the second course only; and 23 have completed both the first and second courses.

Among the students there seems to be a general feeling of satisfaction with the accomplishments of this pioneer venture in education. This is apparent in their expressions of gratitude as they exchange farewells with the faculty members. Four of the faculty are University of Oklahoma instructors: Dale Vliet, College of Law; Baker Horning, Department of Business Communication; John Malone, Extension Division; and William McGrew, Department of Accounting. Representing N.R.C.A. is Leonard Berry who teaches Retail Credit Fundamentals and Management. Leaders of the evening forums on Bureau Service, Credit Sales, and Collections, are John Boxberger, Secretary-Manager of the Okla-

(Turn to "Management Institute," page 28.)

Wage Earner Plans

(Chapter 13 of the Bankruptcy Act)

MANY OF OUR MEMBERS have requested that we publish Chapter 13 of the Bankruptcy Act known as "An Act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898. Chapter 13 was amended to this Act and approved by the 75th Congress, June 22, 1938.

"Article I—Construction

"Sec. 601. The provisions of this chapter shall apply exclusively to proceedings under this chapter.

"Sec. 602. The provisions of chapters I to VII, inclusive, of this Act shall, insofar as they are not inconsistent or in conflict with the provisions of this chapter, apply in proceedings under this chapter: *Provided, however*, That subsection f of section 70 shall not apply in such proceedings unless an order shall be entered directing that bankruptcy be proceeded with pursuant to the provisions of chapters I to VII, inclusive. For the purposes of such application, provisions relating to 'bankrupts' shall be deemed to relate also to 'debtors,' and 'bankruptcy proceedings' or 'proceedings in bankruptcy' shall be deemed to include proceedings under this chapter. For the purposes of such application the date of the filing of the petition in bankruptcy shall be taken to be the date of the filing of an original petition under section 622 of this Act, and the date of adjudication shall be taken to be the date of the filing of the petition under section 621 or 622 of this Act except where an adjudication had previously been entered.

"Article II—Definitions

"Sec. 606. For the purposes of this chapter, unless inconsistent with the context—

"(1) 'claims' shall include all claims of whatever character against the debtor or his property, whether or not provable as debts under section 63 of this Act and whether secured or unsecured, liquidated or unliquidated, fixed or contingent, but shall not include claims secured by estates in real property or chattels real;

"(2) 'creditor' shall mean the holder of any claim;

"(3) 'debtor' shall mean a wage earner who filed a petition under this chapter;

"(4) 'debts' shall include all claims;

"(5) 'executory contracts' shall include unexpired leases of real property;

"(6) 'petition' shall mean a petition filed under this chapter by a wage earner desiring to effect a plan for a composition or extension of time for the payment of his debts, or both;

"(7) 'plan' shall mean a plan for a composition or extension, or both, proposed in a proceeding under this chapter; and

"(8) 'wage earner' shall mean an individual who works for wages, salary, or hire at a rate of compensation which, when added to all his other income, does not exceed $3,600 per year.*

"Sec. 607. A creditor shall be deemed to be 'affected' by a plan only if his interest shall be materially and adversely affected thereby. In the event of controversy, the court shall, after hearing upon notice, summarily determine whether any creditor is so affected.

"Article III—Jurisdiction, Powers, and Duties of the Court

"Sec. 611. Where not inconsistent with the provisions of this chapter, the court in which the petition is filed shall, for the purposes of this chapter, have exclusive jurisdiction of the debtor and his property, wherever located, and of his earnings and wages during the period of consummation of the plan.

"Sec. 612. Where not inconsistent with the provisions of this chapter, the jurisdiction, powers, and duties of the court shall be the same—

"(1) where a petition is filed under section 621 of this Act and a decree of adjudication has not been entered in the pending bankruptcy proceeding, as if a decree of adjudication had been entered in such bankruptcy proceeding at the time the petition under this chapter was filed, or

*This amount was changed to $5,000.00 by Congress on December 31, 1950. At the annual Conference of the National Retail Credit Association held in San Francisco, California, July 19-22, 1954, a resolution was unanimously passed recommending Congress to increase this amount to $7,500.00.

"(2) where a petition is filed under section 622 of this Act, as if a voluntary petition for adjudication in bankruptcy had been filed and a decree of adjudication had been entered at the time the petition under this chapter was filed.

"Sec. 613. Upon the filing of a petition, the court may, in addition to the jurisdiction, powers, and duties hereinabove and elsewhere in this chapter conferred and imposed upon it—

"(1) permit the rejection of executory contracts of the debtor, upon notice to the parties to such contracts and to such other parties in interest as the court may designate;

"(2) extend upon cause shown any time which under this chapter the court is required or permitted to fix for any purpose.

"Sec. 614. The court may, in addition to the relief provided by section 11 of this Act and elsewhere under this chapter, enjoin or stay until final decree the commencement or continuation of suits other than suits to enforce liens upon the property of a debtor, and may, upon notice and for cause shown, enjoin or stay until final decree any act or the commencement or continuation of any proceeding to enforce any lien upon the property of a debtor.

"Sec. 615. Whenever notice is to be given under this chapter, the court shall designate, if not otherwise specified hereunder, the time within which, the persons to whom, and the form and manner in which the notice shall be given. Any notice to be given under this chapter may be combined, whenever feasible, with any other notice or notices under this chapter.

"Sec. 616. Where not inconsistent with the provisions of this chapter, the jurisdiction of appellate courts shall be the same as in a bankruptcy proceeding.

"Article IV—Petition and Stay

"Sec. 621. A debtor may file a petition under this chapter in a pending bankruptcy proceeding either before or after his adjudication.

"Sec. 622. If no bankruptcy proceeding is pending, a debtor may file an original petition under this chapter with the court which would have jurisdiction of a petition for his adjudication.

"Sec. 623. A petition filed under this chapter shall state that the debtor is insolvent or unable to pay his debts as they mature and that he desires to effect a composition or an extension, or both, out of his future earnings or wages.

"Sec. 624. The petition shall be accompanied—

"(1) by a statement of the executory contracts of the debtor;

"(2) by the schedules and statement of affairs, if not previously filed; and

"(3) where a petition is filed under section 622 of this Act, by payment to the clerk of $15 to be distributed, $10 to the referee and $5 to the clerk in lieu of the fees of $15 and $10 as prescribed in sections 40 and 52 of this Act.

"Sec. 625. A petition filed under section 621 of this Act shall act as a stay of adjudication or of administration of the estate.

"Sec. 626. The court may, upon hearing after notice to the debtor and such other persons as the court may designate, require the debtor to file, within such time as the court may fix, a bond or undertaking with such sureties, as may be approved by the court, or without sureties, as the court may order, and in such amount as the court may fix, to indemnify the estate against loss thereto or diminution thereof during the period of such stay. Upon the failure of the debtor to comply with such requirement the proceeding under this chapter shall be dismissed.

"Article V—Proceedings Subsequent to Filing of Petition

"Sec. 631. The judge may refer the proceeding to a referee.

"Sec. 632. The judge or referee shall promptly call a meeting of creditors, upon at least ten days' notice by mail to the debtor and his creditors.

"Sec. 633. At such meeting, or at any adjournment thereof—

"(1) the judge or referee shall preside, receive proof of claim, and allow or disallow them, and examine the debtor or cause him to be examined and hear witnesses on any matter relevant to the proceeding;

"(2) the debtor shall submit his plan, and deposit with the referee, if any, such sum, as the referee may require, not to

exceed $15, as indemnity for the expenses of the referee;

"(3) the court shall receive and determine the written acceptances of creditors on the proposed plan, which acceptances may be obtained by the debtor before or after the filing of a petition under this chapter;

"(4) the court shall, if the plan is accepted, appoint a trustee to receive and distribute, subject to the control of the court, all moneys to be paid under the plan and shall require such trustee to give bond with surety to be approved by the court in such amount as the court shall fix; and

"(5) the court shall fix a time for the filing of the application to confirm the arrangement and for a hearing on the confirmation thereof or any objection to the confirmation, unless such times have already been named in the notice of the meeting or unless all creditors affected by the arrangement have accepted it.

"ARTICLE VI—RIGHTS, DUTIES, AND POWERS OF DEBTOR AND OFFICERS

"SEC. 636. Where not inconsistent with the provisions of this chapter, the powers and duties of the officers of the court and the rights, privileges, and duties of the debtor shall be the same, where a petition is filed under section 621 of this Act and a decree of adjudication has not been entered in the pending bankruptcy proceeding, as if a decree of adjudication had been entered in such bankruptcy proceeding at the time the petition under this chapter was filed, or, where a petition is filed under section 622 of this Act, as if a voluntary petition for adjudication in bankruptcy had been filed and a decree of adjudication had been entered at the time the petition under this chapter was filed.

"SEC. 637. The allowance of exemptions to a debtor shall be the same as provided for a bankrupt under this Act, and such exemptions shall be set aside to the debtor in like manner as provided for a bankrupt.

"ARTICLE VII—CREDITORS AND CLAIMS

"SEC. 641. Where not inconsistent with the provisions of this chapter, the rights, duties, and liabilities of creditors and of all other persons with respect to the property of the debtor shall be the same, where a petition is filed under section 621 of this Act and a decree of adjudication has not been entered in the pending bankruptcy proceeding, as if a decree of adjudication had been entered in such bankruptcy proceeding at the time the petition under this chapter was filed, or, where a petition is filed under section 622 of this Act, as if a voluntary petition for adjudication in bankruptcy had been filed and a decree of adjudication had been entered at the time the petition under this chapter was filed.

"SEC. 642. In case an executory contract shall be rejected pursuant to the provisions of a plan or to the permission of the court given in a proceeding under this chapter, or shall have been rejected by a trustee or receiver in bankruptcy in a prior pending proceeding, any person injured by such rejection shall, for the purpose of this chapter and of the plan, its acceptance and confirmation, be deemed a creditor. The claim of the landlord for injury resulting from the rejection of an unexpired lease of real estate or for damages or indemnity under a covenant contained in such lease shall be provable, but shall be limited to an amount not to exceed the rent, without acceleration, reserved by such lease for the year next succeeding the date of the surrender of the premises to the landlord or the date of reentry of the landlord, whichever first occurs, whether before or after the filing of the petition, plus unpaid accrued rent, without acceleration, up to the date of surrender or reentry: *Provided,* That the court shall scrutinize the circumstances of an assignment of a future rent claim and the amount of the consideration paid for such assignment in determining the amount of damages allowed the assignee thereof.

"SEC. 643. If the time for filing claims in a pending bankruptcy proceeding has expired prior to the filing of a petition under this chapter, claims provable under section 63 of this Act and not filed within the time prescribed by subdivision n of section 57 of this Act, shall not be allowed in the proceedings or participate in a plan under this chapter, and shall not be allowed in the bankruptcy proceeding when reinstated as provided in this chapter.

"SEC. 644. Upon the entry of an order under the provisions of this chapter directing that bankruptcy be proceeded with, only such claims as are provable under section 63 of this Act shall be allowed and, except as provided in section 643 of this Act, claims not already filed may be filed within three months after the first date set for the first meeting of creditors, held pursuant to section 55 of this Act, or, if such date has previously been set, then within three months after the mailing of

notice to credtors of the entry of the order directing that bankruptcy be proceeded with.

"Article VIII—Provisions of Plan

"Sec. 646. A plan under this chapter—

"(1) shall include provisions dealing with unsecured debts generally, upon any terms;

"(2) may include provisions dealing with secured debts severally, upon any terms;

"(3) may provide for priority of payment during the period of extension as between the secured and unsecured debts affected by the plan;

"(4) shall include provisions for the submission of future earnings or wages of the debtor to the supervision and control of the court for the purpose of enforcing the plan;

"(5) shall provide that the court may from time to time during the period of extension increase or reduce the amount of any of the installment payments provided by the plan, or extend or shorten the time for any such payments, where it shall be made to appear, after hearing upon such notice as the court may designate, that the circumstances of the debtor so warrant or require;

"(6) may include provisions for the rejection of executory contracts of the debtor; and

"(7) may include any other appropriate provisions not inconsistent with this chapter.

"Article IX—Confirmation and Consummation of Plans

"Sec. 651. A plan which at the meeting of creditors, as provided in section 633 of this Act, has been accepted in writing by all creditors affected thereby, whether or not their claims have been proved, shall be confirmed by the court when the debtor shall have made the deposit required under this chapter and under the plan, and if the court is satisfied that the plan and its acceptance are in good faith and have not been made or procured by any means, promises or acts forbidden by this Act.

"Sec. 652. If a plan has not been so accepted, an application for the confirmation of the plan may be filed with the court within such time as the court shall have fixed in the notice of such meeting, or at or after such meeting and after, but not before—

"(1) it has been accepted in writing, if unsecured creditors are affected by the plan, by a majority in number of all such creditors whose claims have been proved and allowed before the conclusion of the meeting, which number shall represent a majority in amount of such claims, and by the secured creditors whose claims are dealt with by the plan; and

"(2) the debtor has made the deposit of moneys required of him under this chapter and under the plan.

"Sec. 653. Alterations or modifications of a plan may be proposed in writing by a debtor, with leave of court, at any time before the plan is confirmed.

"Sec. 654. Unless the court finds that the proposed alteration or modification does not materially and adversely affect the interest of any creditor who has not in writing assented thereto, the court shall adjourn the meeting or, if closed, reopen the meeting, and may enter an order that any creditor who accepted the plan and who fails to file with the court within such reasonable time as shall be fixed in the order a rejection of the altered or modified plan, shall be deemed to have accepted the alterations or modifications and the plan so altered or modified, unless the previous acceptance provides otherwise.

"Sec. 655. At least ten days' notice of the adjourned or reopened meeting, together with a copy of the order, if entered, and of the proposed alteration or modification, shall be given to the creditors and other parties in interest.

"Sec. 656. (a) The court shall confirm a plan if satisfied that—

"(1) the provisions of this chapter have been complied with;

"(2) it is for the best interests of the creditors;

"(3) it is fair and equitable, and feasible;

"(4) the debtor has not been guilty of any of the acts or failed to perform any of the duties which would be a bar to the discharge of a bankrupt; and

"(5) the proposal and its acceptance are in good faith and have not been made or procured by any means, promises, or acts forbidden by this Act.

"(b) Before confirming any such plan the court shall require proof from each creditor filing a claim that such claim is free from usury as defined by the laws of the place where the debt was contracted.

"Sec. 657. Upon confirmation of a plan, the plan and its provisions shall be binding upon the debtor and upon all creditors of the debtor, whether or not they are affected by the plan or have accepted it or have filed their claims, and whether or not their claims have been scheduled or allowed or are allowable.

"Sec. 658. During the period of extension, the court—

"(1) shall retain jurisdiction of the debtor and his property for all purposes of the plan and its consummation and shall have supervision and control of any agreement or assignment, provided for in the plan, in respect to any future earnings or wages of the debtor; and

"(2) may issue such orders as may be requisite to effectuate the provisions of the plan, including orders directed to any employer of the debtor. An order directed to such employer may be enforced in the manner provided for the enforcement of judgments.

"Sec. 659. In advance of distribution to creditors, there shall first be paid in full, out of the moneys paid in by or for the debtor, and the order of payment shall be—

"(1) the actual and necessary costs and expenses of the referee;

"(2) the actual and necessary costs and expenses of the trustee;

"(3) the commissions to the referee of 1 per centum, to be computed upon and payable out of the payments actually made by or for a debtor under the plan, which commissions shall be in addition to the fee of $10 to be paid to the referee out of the fees deposited by the debtor with the clerk of the court, and commissions to the trustee of 5 per centum to be computed upon and payable out of the payments actually made by or for a debtor under the plan;

"(4) such reasonable fee to the attorney for the debtor as the court may allow for the professional services actually rendered by such attorney to the debtor in and in connection with the proceedings under this chapter;

"(5) in the case of a pending bankruptcy proceeding superseded by a proceeding under this chapter, the costs, expenses, and fees of such bankruptcy proceeding; and

"(6) the debts entitled to priority, in the order of priority, as provided by subdivision a of section 64 of this Act.

"Sec. 660. Upon compliance by the debtor with the provisions of the plan and upon the completion of all payments to be made thereunder, the court shall enter an order discharging the debtor from all his debts and liabilities provided for by the plan, and all debts denied participation in the plan

by section 643 of this Act, but excluding debts which are not dischargeable under section 17 of this Act held by creditors who have not accepted the plan.

"SEC. 661. If at the expiration of three years after the confirmation of a plan the debtor has not completed his payments thereunder, the court may nevertheless, upon the application of the debtor and after hearing upon notice, if satisfied that the failure of the debtor to complete his payments was due to circumstances for which he could not be justly held accountable, enter an order discharging the debtor from all his debts and liabilities provided for by the plan, and all debts denied participation in the plan by section 643 of this Act, but excluding debts which are not dischargeable under section 17 of this Act held by creditors who have not accepted the plan.

"SEC. 662. Upon the consummation of a proceeding under this chapter, as provided either in section 660 or section 661 of this Act, the court shall enter a final decree discharging the trustee, closing the estate and making such provision, by way of injunction or otherwise, as may be equitable.

"ARTICLE X—DISMISSAL AND ADJUDICATION

"SEC. 666. If a plan is not proposed at the meeting of creditors or within such further time as the court may fix, or if the plan is withdrawn or abandoned prior to its acceptance, or if the plan is not accepted at the meeting of creditors or within such further time as the court may fix, or if the deposit required under this chapter and under the plan is not made or the application for confirmation is not filed within the time fixed by the court, or if confirmation of the plan is refused, or if after confirmation a debtor defaults in any of the terms of the plan, or if the plan terminates by reason of the happening of a condition specified in the plan, the court shall—

"(1) where the petition has been filed under section 621 of this Act, enter an order dismissing the proceeding under this chapter and adjudging the debtor a bankrupt, if not previously so adjudged, and directing that the bankruptcy be proceeded with pursuant to the provisions of this Act; or

"(2) where the petition has been filed under section 622 of this Act, enter an order dismissing the proceeding under this chapter or, with the consent of the debtor, adjudging him a bankrupt and directing that bankruptcy be proceeded with pursuant to the provisions of this Act.

"SEC. 667. Upon the entry of an order directing that bankruptcy be proceeded with—

"(1) in the case of a petition filed under section 621 of this Act, the bankruptcy proceeding shall be deemed reinstated and thereafter shall be conducted, so far as possible, as if such petition under this chapter had not been filed; or

"(2) in the case of a petition filed under section 622 of this Act, if an order has been entered adjudging the debtor a bankrupt, as provided in paragraph (2) of section 666 of this Act, the proceeding shall thereafter be conducted, so far as possible, in the same manner and with like effect as if a voluntary petition for adjudication in bankruptcy had been filed and a decree of adjudication had been entered on the day when the petition under this chapter was filed.

"SEC. 668. Except as provided in section 666 of this Act and elsewhere in this chapter, a debtor shall not be adjudged a bankrupt either in a proceeding under this chapter or in any proceeding instituted under this Act, during the pendency of a proceeding under this chapter.

"ARTICLE XI—PLANS, WHEN SET ASIDE OR MODIFIED

"SEC. 671. If, upon the application of parties in interest filed at any time within six months after a plan has been confirmed, it shall be made to appear that fraud was practiced in the procuring of such plan and that knowledge of such fraud has come to the petitioners since the confirmation of such plan—

"(1) if the debtor has been guilty of or has participated in the fraud or has had knowledge thereof before the confirmation and has failed to inform the court of the fraud, the court may set aside the confirmation and thereupon (a) where the petition was filed under section 621 of this Act, reinstate the pending bankruptcy proceeding, adjudge the debtor a bankrupt, if he has not already been so adjudged, and direct that the bankrupty[1] proceeding be proceeded with, or (b) where the petition was filed under section 622 of this Act, reinstate the proceeding, adjudge the debtor a bankrupt, and direct that bankruptcy be proceeded with pursuant to the provisions of this Act; or

"(2) the court may set aside the confirmation, reinstate the proceeding under the petition filed under this chapter, and hear and determine applications for leave to propose, within such time as the court may fix, alterations or modifications of the plan for the purpose of correcting the fraud; or

"(3) the court may reinstate the proceeding under the petition filed under this chapter and modify or alter the plan for the purpose of correcting the fraud, but may not materially modify or alter the plan adversely to the interests of any party who did not participate in the fraud and who does not consent to such modification or alteration, or to the prejudice of any innocent person who, for value, subsequent to the confirmation, acquired rights in reliance upon it.

"ARTICLE XII—GENERAL PROVISIONS

"SEC. 676. All statutes of limitation affecting claims provable under this chapter and the running of all periods of time prescribed by this Act in respect to the commission of acts of bankruptcy, the recovery of preferences and the avoidance of liens and transfers shall be suspended while a proceeding under this chapter is pending and until it is finally dismissed.

"SEC. 677. Unless otherwise directed by the court, all notices required by this chapter may be given by mail to the parties entitled thereto to their addresses ascertained in the manner prescribed for other notices in section 58 of this Act.

"SEC. 678. The clerk and, in the case of a reference, the referee after such reference, shall forthwith transmit to the Secretary of the Treasury copies of—

"(1) all petitions filed under sections 621 and 622 of this Act;

"(2) all notices given in a proceeding under this chapter;

"(3) all orders dismissing proceedings or directing that bankruptcy be proceeded with, discharging debtors, closing estates and setting aside confirmations;

"(4) all orders approving modifications or alterations in plans, together with copies of such alterations or modifications;

"(5) all orders confirming plans, together with copies of such plans;

"(6) all orders increasing or reducing the amount of installment payments under plans, and all orders extending or shortening the time for such payments; and

"(7) such other papers filed in the proceedings as the Secretary of the Treasury may request or which the court may direct to be transmitted to him.

"Any order fixing the time for confirming an arrangement which affects claims of the United States shall include a notice to the Secretary of the Treasury of not less than ten days.

"SEC. 679. No income or profit, taxable under any law of the United States or of any State now in force or which may hereafter be enacted, shall, in respect to the adjustment of the indebtedness of a debtor in a proceeding under this chapter, be deemed to have accrued to or to have been realized by a debtor by reason of a modification in or cancellation in whole or in part of any such indebtedness in a proceeding under this chapter: *Provided, however,* That if it shall be made to appear that the plan had for one of its principal purposes the evasion of any income tax, the exemption provided by this section shall be disallowed.

"SEC. 680. Any provision in this chapter to the contrary notwithstanding, all taxes which may be found to be owing to the United States or any State from a debtor within one year from the date of the filing of a petition under this chapter, and have not been assessed prior to the date of the confirmation of a plan under this chapter, and all taxes which may become owing to the United States or any State from a debtor shall be assessed against, may be collected from, and shall be paid by the debtor: *Provided, however,* That the United States or any State may in writing accept the provisions of any plan dealing with the assumption, settlement, or payment of any such tax.

"ARTICLE XIII—WHEN CHAPTER TAKES EFFECT

"SEC. 686. (1) On and after the effective date of this amendatory Act, this chapter shall apply to debtors and their creditors, whether their rights, claims, and interests of any nature whatsoever have been acquired or created before or after such date;

"(2) a petition may be filed under this chapter in a proceeding in bankruptcy which is pending on the effective date of this amendatory Act;

"(3) the provisions of sections 73 and 74, as amended, of the Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, shall continue in full force and effect with respect to proceedings pending under those sections upon the effective date of this amendatory Act;

"(4) section 679 of this Act shall apply to compositions and extensions confirmed under section 74 before the effective date of this amendatory Act and to compositions and extensions which may be confirmed under section 74 on and after such effective date; and

"(5) confirmation of a plan under this chapter shall not be refused because of a discharge granted or a composition confirmed prior to the effective date of this amendatory Act."

★★★

[1]So in original.

The Factbilt ROUND TABLE

A page devoted to improving the mutual cooperative relationship between members of the National Retail Credit Association and the Associated Credit Bureaus of America

HAROLD A. WALLACE

Whose Responsibility—Yours or the Credit Bureau's?

IT IS THE zero hour at the Modern Department Store, Anytown, North America. Credit department personnel, the credit executive and controller are on the post-mortem "hot seat" in the general manager's office. It's a bad credit loss of $1,121.09 management just discovered. Several stores got "hooked." Claims may reach $20,000.00.

Looking 'Em Over

Now the debtor's antecedent history painfully unfolds: 1937 bankrupt. That didn't stop him. There always are merchants who still try to "hand pick" good credit risks. They give them the "eye" to determine how they pay their bills! It's about as reliable compared to a thorough credit report check-up as a physician looking you over compared to his X-ray. Yet, some credit executives still use it . . . so do some penny-wise, cost-conscious credit executives. I say penny-wise because a complete background or antecedent history report in this case obtained by each of the now "mourning" credit granters, costing only a few dollars at the most, would have saved nearly $20,000.00.

Diversified Services Available

Surely, credit granters can't afford to spend several dollars on every applicant. That's not necessary. Sometimes a file report is sufficient . . . again a trade report answers the need. Or an employment verification plus a check of interested stores—through your credit bureau—is the valuable "tool" which helps you make a profitable credit decision.

But, a credit report isn't the sole answer . . . it won't take the place of sound credit extension judgment. Each person in the credit department must learn when to dig deeper about a credit applicant.

Sometimes "sick accounts" don't show up at once. That's why you should constantly "watch" for telltale signals.

The Boss Asks "Why?"

Now, back to this actual case: Our "mourners" are looking with stark reality at the following mistakes the boss now questions:

(1) They failed to clear his record at previous addresses. The fraudulent changing of his name would have alerted them of real danger, had they secured previous residence reports.

(2) They failed to question the lack of verifying information concerning employment.

(3) They permitted add-ons without rechecking their already slow account through the bureau.

Local Indifference

Yet our credit mourners then point out they aren't entirely to blame! Several credit granters, which included loan, finance companies, petroleum firms and real estate-rental agencies used the "eyeball method" on this applicant. Result? The bureau didn't have these experiences! Thus instead of the bureau's records reflecting a good cross-section of this debtor's activities, several other bad experiences were unknown.

Now some credit granters follow an over-all costly philosophy: that they are better investigators, or their chattel mortgage, conditional sales agreement, etc., eliminates the need of "outside" investigation. Credit crooks and overloaded debtors then are in their glory. Thus, such "go-it-alone" credit granters not only suffer avoidable credit losses but muddy up the credit pond in which all other credit granters must fish, too. So, whose responsibility is it for such bad credit losses?

Is it your credit bureau system which without reasonable cooperation doesn't reflect a fairly clear picture of every credit applicant? Is it the "lone-wolf" credit granter? Is it the penny-wise credit department which tries to "get by" without ordering previous residence credit reports?

Working Together

These questions could be enlarged ad infinitum. But this actual loss, like others, points up the imperative need of a much closer working relationship between your store or office and your local credit bureau.

It is little consolation to discover too late that such losses as this one could have been avoided or at least drastically reduced. We laugh at others when they lock the door after the horse gets out. We hate to admit errors of judgment. I do believe you will agree that this happening will occur again and again. That's because someone will "wink" at his responsibility. But I do hope it won't be you. For when you go back to try to sell more merchandise or service profitably, after mourning a loss like this, you realize that the actual loss of time and effort added to that bad account, is quite a costly item. ★★★

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

Hospitals, Physicians and Dentists

QUESTION

What consumer credit education programs in your opinion would have the most beneficial effect on consumer attitudes toward hospital, medical and dental bills?

ANSWERS

R. E. Blue, Willis-Knighton Memorial Hospital, Inc., Shreveport, Louisiana: The retail merchants bureau should sponsor the consumer credit education program in their respective communities. Our bureau is at present running a series of advertisements in the local papers stressing the importance of paying your bills promptly. Our hospitals, medical and dental professions, together with other members, are paying for the advertisements. In my opinion the merchants are at last realizing that the hospital, medical and dental professions are just as important in gauging a person's ability to pay as any other anticipated obligation. It is true that a major portion of the buying public have hospitalization policies to pay part of the hospital, medical and dental bills, but it is still important to contact the hospitals, through the bureau, when credit is granted. The retail merchants' association is the most important link in the chain. Every community should have a credit managers' luncheon club, affiliated with the retail merchants' association, in order that a consumer credit education program be stressed. I believe that with the wholehearted membership of the association, a most beneficial effect on consumer attitudes toward hospital, medical and dental bills will continue to show an improvement. We should continue to approach the subject through high schools. It is important to teach the young to protect their credit by paying in accordance with the terms of the seller.

John M. Delio, Hamot Hospital, Erie, Pennsylvania: Being ever mindful that good hospital care costs money and to insure the hospital and medical professions against continued financial losses as a result of neglect on the part of the public to pay hospital and doctor bills, we are placed in a dilemma of attempting to classify services, costly and necessary, in line with the retail creditor. Hospitals and doctors are in the credit business whether they like it or not so we may as well take advantage of it. Hospitals employ over a million persons representing 50 different skills. The total annual expenses of all hospitals amount to about one and one-half per cent of the total national income. They are ranked as the fifth largest industry in the United States. Why should we not then look upon our creditors first as customers, and then why could we not undertake locally through the various businessmen's clubs, chambers of commerce, credit associations, etc. and ask that they do the same? Hospitals today are big business and we must endeavor to see that they are given their rightful place in the business life of the community. Hospitals are becoming more and more the community health centers through various types of elective surgery, diagnostic work and so on. Once we in the hospital and medical professions realize these things, then we will be prepared to ask the merchants to recognize the fact that a prospective customer and former patient and debtor had not fulfilled a solemn pledge and trust rendered him by a previous creditor. Reporting of past-due accounts to the local credit bureau will mean nothing without this recognition. Any educational program, with the assistance and cooperation of the National Association, can then be promoted locally where the problem had its origin and only when each person has placed hospital care in his family budget, along with other necessities, will we have gained a complete education program and the hospital will no longer be regarded as a messenger bringing bad financial news after or during a severe illness.

Mrs. Jean V. Lansing, Albany Hospital, Albany, New York: Hospitals, doctors and dentists should follow the same lines as business in extending credit. A formal application should be taken from the patient as relates to his finances and credit references and the application cleared through the credit bureau. There should be a clear understanding before services are rendered as to the charges involved and the manner of payments. The patient should be made aware of the fact that payment of a medical bill is just as important to his credit record as the payment of any other bill. This can be emphasized if the patient needs to take care of the bill on a payment-plan arrangement. His account should be followed persistently and consistently in accordance with his agreement to pay, and if he becomes delinquent, contacts with him should be made by telephone whenever possible—since this type of contact is most effective—and he be informed that if collection procedures are necessary his credit rating will be affected. In this respect, hospitals and doctors need the full cooperation of credit bureaus, in that when past-due accounts are made known to bureaus, such information should be recorded on the individual's credit card and become as derogatory as any other seriously unpaid bill. To accomplish this, hospitals and doctors should be subscribers to their local credit bureau. If this procedure be followed, a community would soon be educated to the fact that payment of medical bills is just as important as payment of any other type of bill.

Lois McIver, The Gaston Hospital, Dallas, Texas: A consumer credit education program for our group could be put on by consistent advertising in the same manner that our fellow credit managers use, keeping the idea of good credit (on our accounts) before them. During the period when Socialized Medicine was being discussed, we did something about that. We placed appropriate display placards in the most advantageous places in our offices; we wrote articles in magazines and newspapers; and we kept the idea before the public. Why not use the same idea in credits? Also good credit slogans could be enclosed with our statements. Be sure that the enclosure is a good one. Here is one that is being used by one of our best stores. "If your record on file with the credit bureau is good, you will find it easy to establish your credit with new people, in a new neighborhood or even a different city. And it may help you in other directions, too, for a good credit record is a mark of character in business circles." This is from the N.R.C.A.'s *Good Things of Life on Credit* booklet. Also it is necessary that the patient know that his credit rating with hospitals and doctors is on an even basis with his other accounts, provided there has been a definite understanding with the patient and guarantor as to when he is to pay his account and definite terms set, or our new resolution will be in vain. If our group in each city would plan a good advertising campaign and let it be known to our bureau and every place where consumer credit is granted, just what we are doing, I am sure we will receive their full cooperation and help. Some of us will have to begin our education with our administrators and doctors to convince them that our offices should be run on a strictly business basis.

Dr. Elliott Mendenhall, Dallas, Texas: If Mr. Public could have his medical and dental services gift wrapped and presented to him over a counter in a beautiful package that he could carry out and show to his friends, I believe he would gladly pay for them. To suffer the physical pain of illness and then have added to it the financial pain of paying for it often seems too much. When a person makes a purchase he likes to know the price is not exorbitant. This is true of the purchase of services as well as goods. It has become a popular American pastime to criticize the high price of everything, especially medical, dental, and hospital services. Maybe some of this criticism will bring to the public an explanation of the fees for such services. The consumer of the professional services in question can be educated as to what it costs to make those services available to him 24 hours a day. The medical and dental fees can be discussed each time they are sought. Committees already at work in these professions can inform the public about the costs of their services through public forums, panel discussions and personal conferences. Hospital fees are a jumble of indistinguishable figures to many people and only the total figure registers. Educational programs can be slanted to the various population groups. Those persons whose work has to do with tools and machinery and construction can well comprehend the cost of constructing and maintaining a hospital building and equipment. Those in the community whose work has to do with food will know about the cost of serving meals in a hospital. Employers of labor will understand the labor costs in running a hospital, etc. When the consumer knows these factors, it may not reduce his bill much, but because of his understanding it may reduce his dissatisfaction.

Mrs. Blanche Pratt, Dr. A. M. Henderson, Jr., Sacramento, California: If an applicant for more (or new) credit has a past-due medical account, I think that the retail credit granter should treat this applicant in the same manner as though he had seriously past-due store accounts. Credit should be refused until the medical bills are paid. In consumer credit education programs it should be brought to the attention of the retail credit granter that a greater number of doctors and hospitals are cooperating in giving credit reports and this in turn should reflect in doctor and hospital accounts being considered as important as retail accounts when considering the applicant for credit.

John A. Ward, Lovelace Clinic, Albuquerque, New Mexico: A program of educating the consumer on paying his hospital, medical and dental bills promptly can be approached from a number of different angles. Our local retail credit association ran an advertisement a few months ago urging all persons to treat their medical and hospital expenses with the same conscientious attitude as they do their other obligations. We also use the inserts put out by the N.R.C.A. urging all persons to pay their physicians, hospital and dental bills promptly. We find this is a great aid in stimulating collections. Patients coming to the credit office with past-due account balances are always impressed with the necessity of paying their medical bills promptly in order to preserve their good credit standing in the community. In the past it has been the trend that retailers have not regarded the negligent attitude of patients toward their medical bills as seriously as other types of accounts. This is gradually being changed through the efforts of the various retail credit associations throughout the country in consumer education as to the importance of paying this particular type of bill promptly. If this campaign is continued, the time will come when a past-due medical or hospital account will be treated by everyone in the same manner as any other past-due account.

Newspapers and Publishers

QUESTION

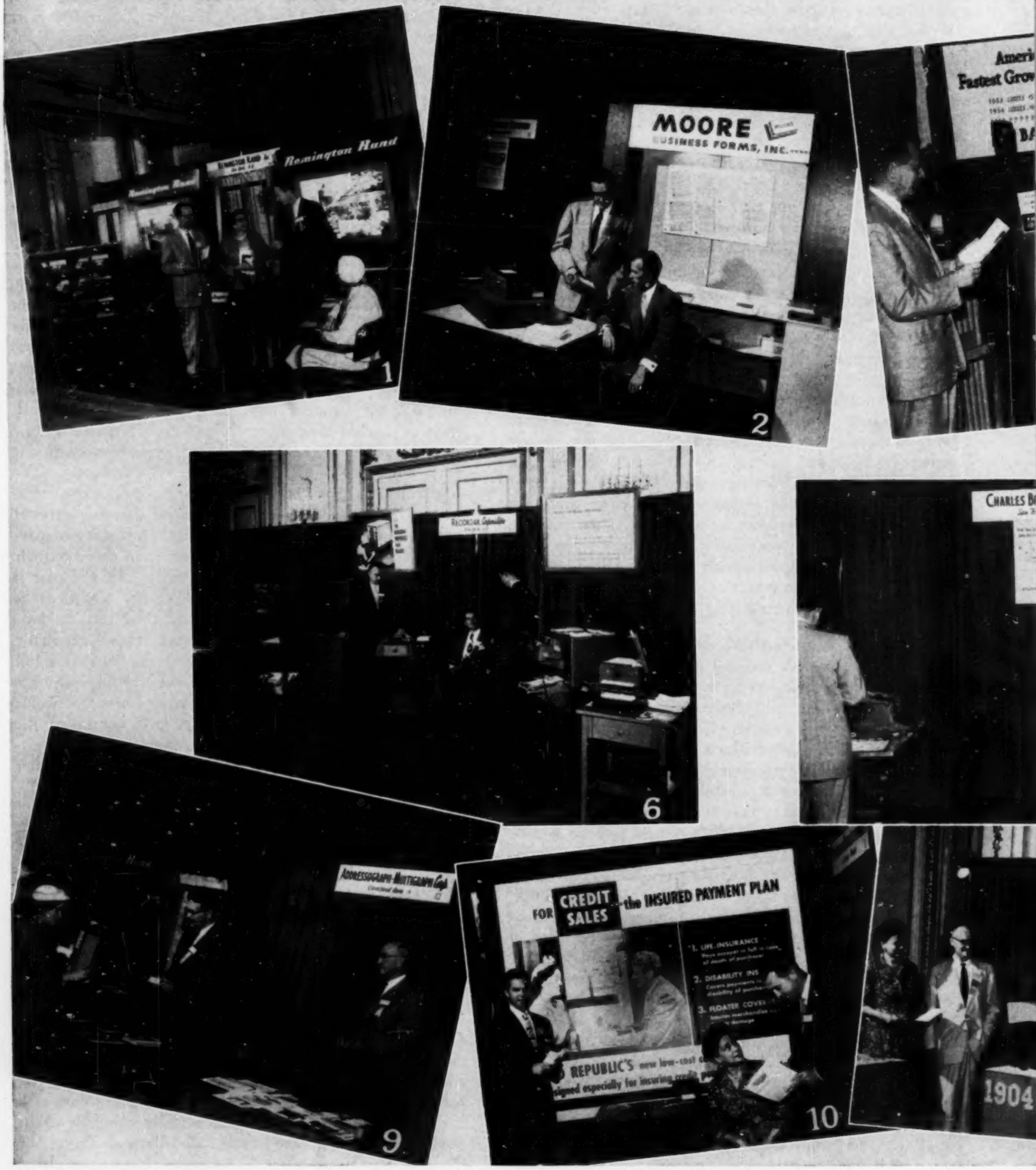
What collection procedures have you found to be most effective on seriously past-due transient charges which are too small individually to justify legal action?

ANSWERS

Henry G. Baker, The Oklahoma Publishing Company, Oklahoma City, Oklahoma: When our transient accounts fail to respond after having received the usual notices and phone calls they are given to our collector. If not paid when they become 60 days old, the account is listed with all information available about the individual, also, the number and date of charge, or charges, with notations as to customer reactions to phone calls, etc. All new copy, that is not immediately recognized, is checked with the past-due record and if they are "on record" the party is called and informed that we will

(Turn to "Credit Clinic," page 26.)

EXHIBITORS, INTERNATIONAL CONSUMER CREDIT



1—Remington Rand Inc.
2—Moore Business Forms, Inc.
3—Wilson Electrical Equipment Company
4—Olivetti Corporation of America
5—TelAutograph Corporation
6—Recordak Corporation

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7—Charles Bruning Company

8—Office Expediters, Inc.

9—Addressograph-Multigraph Corporation

10—Old Republic Credit Life Insurance Company

11—Farrington Manufacturing Company

12—VISIrecord, Inc.

13—Walter Radell Company

San Francisco Conference Notes

RESOLUTIONS

Contribution of George A. Scott

WHEREAS, the National Retail Credit Association is composed of more than 35,000 members engaged in every line of business where consumer credit is granted, including department and apparel stores, furniture, musical instruments and household appliance stores, hospitals, banks, loan and finance companies, utility companies, petroleum companies, hardware, lumber and building materials, jewelers, et cetera, and represents every phase of the economy where consumer credit is extended to the public; and

WHEREAS, the efforts of the National Retail Credit Association should be continued in the economics of consumer credit, and its achievements in developing sound policies of credit granting, credit reporting, and in the publicity necessary in acquainting the people of their individual importance in those measures which have such a tremendous effect upon the general welfare; and

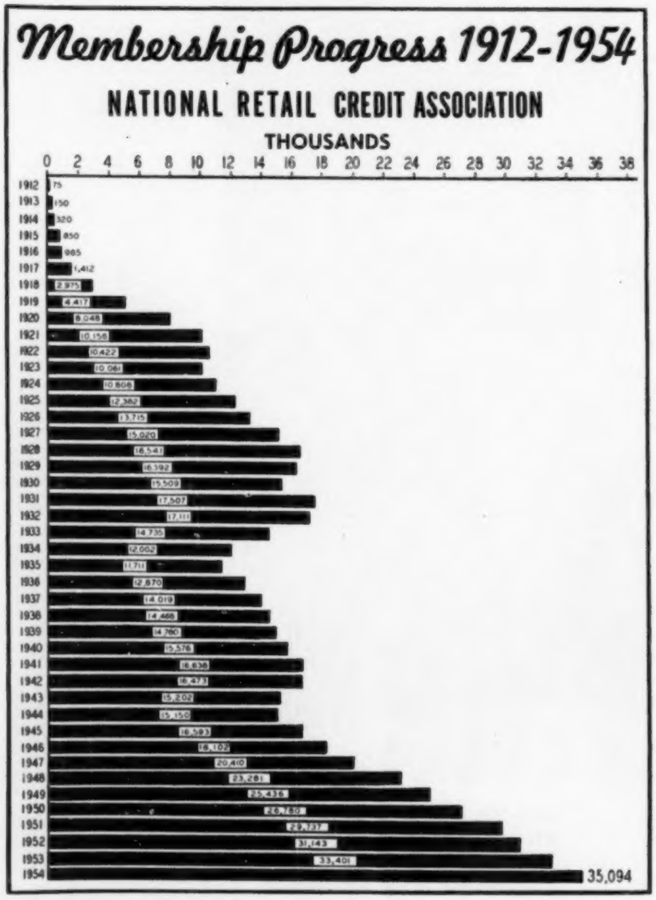
WHEREAS, in one of the most unique, outstanding and dynamic addresses ever made to a national or international conference of this Association, those objectives and achievements were recognized by George A. Scott, President and General Manager, the Walker-Scott Company, San Diego, California; and

WHEREAS, Mr. Scott in that address announced a donation of $5,000.00 toward the further development of those objectives; and

WHEREAS, it is acknowledged that the contribution of Mr. Scott is the most generous action ever made to the National Retail Credit Association:

NOW, THEREFORE BE IT RESOLVED, that the contribution of Mr. Scott be accepted by the unanimous vote of the official delegates to this 40th Annual Convention and International Credit Conference of the National Retail Credit Association;

AND BE IT FURTHER RESOLVED: That as a slight token of appreciation of the generous contribution made by him, he be and hereby is elected as an *Honorary Life Member* of the National Retail Credit Association with all the *rights* and *privileges* of an active member.



Pennsylvania Uniform Commercial Code

WHEREAS, the Commonwealth of Pennsylvania has enacted a Law known as "The Uniform Commercial Code," originally prepared by the "Commissioners on Uniform State Laws" and "The American Law Institute":—and

WHEREAS, The Chairman of the American Bankers Association's Subcommittee, in its Interim Report to the Association's Executive Council held on April 19, 1954, stated:

"It is the unanimous view of your Subcommittee that because of its complexity, the enormous scope of its coverage, and its tremendous impact on banks, the proposed Code should not be considered for enactment in any state until the Connecticut, New York and Texas commissions have completed their studies, the reports of groups such as this Subcommittee and the California Bankers Association Committee have been received and studied, and the Editorial Board has considered those reports and made such changes as it considers appropriate in the light thereof and of the experience to that date in Pennsylvania"; and

WHEREAS, it is the intention of the proponents and originators of the Pennsylvania Uniform Commercial Code to present it for adoption in all the States of the American Republic; and

WHEREAS, as the Code is intended to govern and make uniform all State laws governing Commercial transactions, the retailers' rights and obligations are greatly affected, particularly on sales on instalment basis, which includes secured transactions, bailment leases, conditional sales, and chattel mortgages;

NOW, THEREFORE BE IT RESOLVED, that the National Retail Credit Association in Convention assembled calls the

attention of its 35,000 members to the Pennsylvania Uniform Commercial Code with the intent that they may become aware of its weaknesses and benefits, and be prepared to give critical and mature consideration to any such Code that may be presented to the Legislature (or Assembly) of their respective States;

AND BE IT FURTHER RESOLVED, that the Legislative Committee of the National Retail Credit Association make a study of the Pennsylvania Uniform Commercial Code and recommend special consideration of its operational expense, and probably corrective defects, at all district Conferences during 1954 and 1955, so that the adoption of this code by any other State may not be made without due warning, and deliberation, but with a definite understanding of its ramifications on retail credit operations.

Quarter Century Club Breakfast

THE NINTH ANNUAL Breakfast of the Quarter Century Club was held at the 40th Annual International Consumer Credit Conference in the Room of Dons, Mark Hopkins Hotel, San Francisco, California at 7:30 a.m., Thursday, July 22, 1954.

This unique organization, which has no dues, no fees, no salaried officers, no expenses, and no income, consists of men and women who have held individual memberships in the National Retail Credit Association for twenty-five years or more. Altogether there are 428 Quarter Century Club Members and 124 Honorary Life Members. Fifty-one were present at this year's gathering. They came from thirty-five cities in the United States and from Windsor and Vancouver, Canada.

The meeting was called to order by William F. DeVere, Cheyenne Credit Bureau, Cheyenne, Wyoming, President of the Club. In his own inimitable fashion, he entertained the guests with sparkling stories brilliantly told. Many were the reminisences of past events and occasions at the several tables.

The new officers of the Club, elected unanimously, are: President, Rex A. Smith, Ben Simon and Sons, Lincoln, Nebraska; Secretary, Fred S. Krieger, Credit Bureau of Milwaukee, Milwaukee, Wisconsin; and Treasurer, Lindley S. Crowder, National Retail Credit Association, St. Louis, Missouri.

New members who were introduced at the meeting: Arthur H. Hert, National Retail Credit Association, St. Louis, Missouri, and Leonard Berry, National Retail Credit Association, St. Louis, Missouri.

The roll call showed that the following were in attendance: George B. Allan, Credit Bureau, Springfield, Massachusetts; Nora Arendt, Credit Bureau, Little Rock, Arkansas; William Arendt, Credit Bureau, Little Rock, Arkansas; Dean Ashby, The Fair, Fort Worth, Texas; James F. Bain, Merchants Credit Association, Corpus Christi, Texas; E. K. Barnes, First National Bank, Spokane, Washington; C. F. Basler, Thos. Kilpatrick Co., Omaha, Nebraska; Frank Batty, Orinda, California; Eugene L. Baxter, Fall River Credit Association, Inc., Fall River, Massachusetts; Charles J. Benson, Retail Credit Association, San Francisco, California; Leonard Berry, National Retail Credit Association, St. Louis, Missouri; E. H. Biermann, Credit Bureau of Des Moines, Des Moines, Iowa; Mrs. Della Bird, Arkansas City Retailers Association, Arkansas City, Kansas; A. C. Bittle, Credit Bureau of Knoxville, Knoxville, Tennessee; Harley J. Boyle, The Crescent, Spokane, Washington; Chester W. Briggs, Providence Credit Bureau, Providence, Rhode Island; Frank T. Caldwell, Retail Credit Association, San Francisco, California; Lindley S. Crowder, National Retail Credit Association, St. Louis, Missouri; G. T. Davis, Merchants Credit Bureau, Inc., Evansville, Indiana; William F. DeVere, Cheyenne Credit Bureau, Cheyenne, Wyoming; Thomas Downie, Credit Granters Bureau Ltd., Vancouver, B. C., Canada; S. A. Fibish, Livingston Bros., San Francisco, California; Robert C. Greenburg, Credit Bureau of Weirton and Steubenville, Steubenville, Ohio; P. O. "Bud" Greer, St. Louis, Missouri; G. Grosz, Fargo-Moorhead Credit Association, Fargo, North Dakota; Arthur H. Hert, National Retail Credit Association, St. Louis, Missouri; Walter A. Jensen, Associated Credit Bureaus of Pacific Northwest, Portland, Oregon; W. H. Jernigan, Credit Bureau of Mobile County, Mobile, Alabama; Mrs. Anna Johnson, Credit Bureau of Ponca City, Ponca City, Oklahoma; Owen M. Jones, Washer Bros., Fort Worth, Texas; Arthur E. Kaiser, Bullock's, Los Angeles, California; Fred S. Krieger, Credit Bureau of Milwaukee, Milwaukee, Wisconsin; A. J. Kruse, Credit Bureau of St. Louis, St. Louis, Missouri; Mrs. Trenna E. Lamkins, Credit Men's Association, Champaign, Illinois; Morris Lipinsky, Bon Marche Inc., Asheville, North Carolina; N. M. MacLeod, Spokane Credit Men's Rating Co., Spokane, Washington; Charles J. Martin, Credit Bureau Reports, Inc., New York; Max Meyer, Credit Bureau of Lincoln, Lincoln, Nebraska; E. Sherwood Miller, Credit Bureau of Sioux Falls, Sioux Falls, South Dakota; Mrs. Opal Moore, Credit Bureau of Pendleton, Pendleton, Oregon; Alfred C. Moreau, Hartford Credit Rating Bureau, Hartford, Connecticut; Philip J. Murphy, Worcester Credit Bureau, Worcester, Massachusetts; W. E. Ryan, Broadway Department Store, Los Angeles, California; R. T. Schatz, Washington Water Power Company, Spokane, Washington; Irene Shambaugh, Credit Bureau of Newton, Newton, Kansas; E. L. Silver, Credit Bureau of Windsor, Windsor, Ontario, Canada; Rex A. Smith, Ben Simon and Sons Company, Lincoln, Nebraska; Miss J. I. Tarpey, Credit Bureau of Greater Gary, Gary, Indiana; Harold A. Wallace, Associated Credit Bureaus of America, St. Louis, Missouri; Lyman P. Weld, Longmont, Colorado; and Clarence E. Wolfinger, Lit Brothers, Philadelphia, Pennsylvania.

After the informal program the meeting was adjourned until June 23, 1955 when the Club will convene for its tenth annual breakfast at Hotel Kentucky, Louisville, Kentucky. All members of N.R.C.A. are requested to notify the National Office if they are eligible for membership in the Quarter Century Club. To be eligible for membership, a person must have represented, for a period of 25 years or more, one or more firms who are members of the National Retail Credit Association. In other words, Quarter Century Club membership is granted to the *individual,* based on 25 years' representation of firms holding membership in the National Association.—Rex A. Smith, *Secretary,* Ben Simon and Sons, Lincoln, Nebraska. ★★★

CREDIT FLASHES

Annual Conference on Distribution

The 26th Annual Boston Conference on Distribution will be held at the Hotel Statler, Boston, Massachusetts, October 18 and 19, 1954. This Conference is a unique national forum. It presents the nation's outstanding authorities who apply and make available their wide experience to the interpretation of the economic facts and trends involved in the key problems of distribution. The program material is live, fresh, and new; and explained clearly and in a manner that sustains interest throughout the two days. The Conference has earned an international reputation for the high quality of its deliberations. The large number of business leaders who follow the programs of the Boston Conference recognize its value in keeping abreast of the changing factors which affect their enterprises. The National Retail Credit Association is one of the cooperating organizations with the Conference.

H. S. Darrington

H. Stacy Darrington, President, Credit Bureau of Atlanta, Atlanta, Georgia, and Secretary-Treasurer, Atlanta Retail Credit Association, died at his home, after a long illness, August 14, 1954. He was a Past President of Associated Credit Bureaus of Georgia, former Secretary-Treasurer of Associated Credit Bureaus of the Southeast, and during 1952-1954, he was Secretary-Treasurer of District 3 of the National Retail Credit Association. Surviving are his widow, three sisters and several nieces and nephews to whom we extend our deepest sympathy.

New National Officers

Shown below are the new officers of the National Retail Credit Association elected at the 40th Annual International Consumer Credit Conference held in San Francisco, California, July 19-22, 1954. Left to right, are: First Vice President, Kaa F. Blue, Foundation Plan, New Orleans, Louisiana; President, William J. Tate, Charles Ogilvy, Ltd., Ottawa, Ontario, Canada; Second Vice President, Wimberley C. Goodman, Reynolds-Penland Company, Dallas, Texas; and Third Vice President, Eldon L. Taylor, Glen Bros. Music Company, Ogden, Utah.

E. Roy Tretheway

E. Roy Tretheway, 62, Credit Manager, Earle C. Anthony, an automobile firm, San Francisco, California, died August 16, 1954 in Hahnemann Hospital, San Francisco, after a seven weeks' illness. A native of Stockton, California, he was, at one time, active in the Anthony Company there, and was a member of the Stockton Elks lodge and Knights of Columbus. He was also a member of Native Sons of the Golden West. Most of his years with the Anthony Company, following his service in World War I, were spent in San Francisco. He was an active, enthusiastic worker and sponsor of various educational programs undertaken by the Associated Retail Credit Men of San Francisco. In recognition of his outstanding efforts he was elected a Director of the Association in 1946 and re-elected to the end that the governing Board had the benefit of his counsel and advice continuously. He declined the presidency because of illness. He is survived by his widow and one son. The San Francisco Association and the N.R.C.A. have lost a long-time, staunch supporter and good friend.

1954 National Consumer Credit Conference

WITH PLANS for the program nearing completion, the sixth National Conference on Consumer Credit to be held October 7-8, 1954, at the University of Southern California, Los Angeles, gives every indication of surpassing all predecessor events in presenting top figures in the field of finance economics and education.

Built around the theme "Moving Production and Stabilizing Employment Through Consumer Credit," the sessions, to be held at USC's Founders Hall, are expected to attract a large audience of representative figures from all fields of consumer credit. Discussions to be held on October 7 will focus primarily on developments in the field of cash credit, while the second day's sessions will emphasize sales credit.

Among the participants at the first day's meetings will be William J. Cheyney, executive vice-president, National Foundation for Consumer Credit, Inc., who will talk on "What Is Consumer Credit?"; Myron R. Bone, executive vice-president and secretary, American Industrial Bankers Association, whose subject will be "Industrial Banking's Aid to Industry"; W. B. Tenney, assistant director of organization and education, Credit Union National Association, Inc., who will talk on the role of credit unions; and Paul L. Selby, executive vice-president, National Consumer Finance Association, covering the activities of consumer finance companies in relation to cash credit.

Fred Fagg, Jr., president of the University of Southern California, will officially welcome the participants at the first day's session, and the keynote address will be delivered by Dr. Kenneth L. Trefftzs, professor of finance and head of the Department of Finance, School of Commerce, at USC, who is serving as coordinator of the conference.

James R. Shelton, president, Security-First National Bank, Los Angeles, will preside at the morning session on October 7; and J. H. Nicholson, president, Kit Manufacturing Company and Belmont Shore Bank, Long Beach, will serve as chairman for the afternoon meeting. John M. Otter, president of the National Foundation for Consumer Credit and vice-president of Philco Corporation, will preside at the luncheon meeting.

Discussing the various aspects of sales credit at the second day's meetings will be Arthur E. Kaiser, credit manager, Bullock's, Inc., Los Angeles, representing the National Retail Credit Association, who will talk on "Merchandise and Service Charge Accounts"; Harold A. Wallace, executive vice-president, Associated Credit Bureaus of America, Inc., speaking on "The Credit Bureau's Contribution to Sound Credit"; Roscoe R. Rau, executive vice-president, National Retail Furniture Association, who will cover installment sales of furniture, appliances, and FHA; Thomas W. Rogers, executive vice-president, American Finance Conference, talking on "Installment Sales and Automobile Distribution."

The luncheon session on October 8 will be highlighted by a speech by Lawrence C. Lockley, dean of the University of Southern California's School of Commerce, who will discuss "New Horizons for Consumer Credit."

The conference will conclude with a banquet on October 8 at which Dr. Leo Wolman, professor of Economics, Columbia University, will speak on "Attitudes Toward Consumer Credit."

Distinguished industrial and financial leaders who will serve as chairmen during the October 8 meetings will be Neil Petree, president, Barker Bros. Corporation, Los Angeles, morning session; Charles Detoy, president, Los Angeles Chamber of Commerce, luncheon session; Edwin P. Latimer, chairman, executive committee, American Finance Conference, and president, American Discount Company of Georgia, afternoon session; E. O. Morgan, president, Sales Executives Club of Los Angeles and of Kierulff Company, banquet chairman.

More than 35 national and regional organizations concerned with various phases of consumer credit are sponsoring the Conference, including the National Retail Credit Association. A detailed descriptive brochure about the Conference may be obtained by writing to Dr. Kenneth L. Trefftzs, School of Commerce, University of Southern California, Los Angeles, California. ★★★

William Browne

William Browne, Credit Manager Emeritus, C. F. Hovey Company, Boston, Massachusetts, died at his home in Malden, Massachusetts, July 17, 1954. A native of Ireland, he moved to Canada as a child and then to Boston in 1891. He entered the employ of Hovey's in 1891, served as bookkeeper and later credit manager for a total of 50 years, retiring in 1945. He was chairman of the committee of the Retail Trade Board of the Boston Chamber of Commerce which was instrumental in organizing the Merchants' Credit Bureau of Greater Boston. He was a member of the First Presbyterian Church, Everett, Massachusetts, and an elder for 59 years. He had been a strong supporter of the National Retail Credit Association through the years and was active in handling the affairs of the sixth annual convention of the N.R.C.A. held in Boston in August, 1918. He also contributed articles to The Credit World. At our annual conference in Boston in 1949 he was made an Honorary Life Member of the Association. Besides his wife, he is survived by a son, a daughter, four grandchildren and two great-grandchildren to whom we extend our deepest sympathy.

Reuben J. Shapiro

Reuben J. Shapiro, 45, owner of C. Z. Wilson Company, Duluth, Minnesota, died July 10, 1954 in a Duluth hospital after a sudden heart attack. Prior to purchasing the Wilson Company last October, Mr. Shapiro was Credit Manager for the First Street Store for more than 17 years. A native Duluthian, he was a graduate of Duluth Central High School and Superior State Teachers College. He had been active in fraternal, Boy Scout and other civic organizations for a number of years. He was a Past President of District Six, National Retail Credit Association. Surviving are his wife, two daughters, his mother, two brothers, and four sisters to whom we extend our deepest sympathy.

CREDIT DEPARTMENT *Letters*

LEONARD BERRY

AS MIGHT have been expected, the two major topics, among many others, of discussion at the 40th International Consumer Credit Conference in San Francisco were credit sales promotions and collections. They are extremely important subjects, worthy of much thought. It was clear that many of our members came to the Conference to find out better ways of achieving successful results in each.

Speakers appearing on the general sessions programs, as well as discussion leaders at the several group meetings, centered their messages and comments, for the most part, on these two principal areas of successful retail credit management. At those informal and exceptionally valuable chats between credit executives that occur before and after the scheduled meetings, the conversation also invariably turned eventually to the various techniques and exchange of ideas about getting more profitable credit business and of collecting past-due accounts more efficiently and promptly. Each was anxious to know how the "other fellow did it."

In both these major credit department activities the greatest responsibility for successful accomplishment depends largely on *communications.* The whole subject of better business communications is, therefore, of vital interest to credit executives. Study of what we are now doing often is greatly rewarding in making improvement in our procedures.

More than one speaker developed the argument, many times discussed in this column, that elaborate *personal* letters, especially in the early stages of past-dueness, have an unfavorable customer reaction. They seem to be too "heavy" for the purpose. Printed notices, stickers, and other informal reminders, on the other hand, usually accomplish the objective of getting payment without making the customer feel that the slight delay is a serious and earth-shaking matter. Of course, it is generally agreed that when a monthly charge account becomes 90 days past due or two instalments are missed on a divided payment account, then *personal* letters, skillfully written and carefully prepared, become necessary.

This idea of using *impersonal* notices in routine collection procedure is gaining adherents, judging by the comments heard at the Conference. Not only are such productive of satisfactory results, but they considerably lessen credit office expense. Those firms who have not yet looked into the desirability and practicality of *impersonalizing* their early collection notices might well find here a fruitful source of improvement and at the same time effect needed reduction in credit department expense.

Credit sales promotions, initiated, planned and carried out by the credit executive, were seen as offering stores and firms golden opportunities in developing additional profitable sales volume. Savings keep piling up. They totaled $17.7 billion in 1951, $18.4 billion in 1952 and $20 billion last year. Total liquid assets, which are more or less savings, increased $10.3 billion in 1953, about the same rate as in 1952, according to the Federal Reserve Board. Several speakers at the Conference urged credit executives to encourage consumers to spend more and thus help maintain the velocity of our economy. They pointed out that the key to our continuing prosperity is in the hands of the consumers. Widespread credit facilities, we all agree, are powerful inducements to people to buy more goods. Credit facilitates sales, lessens price resistance and stimulates "ensemble" buying.

Right now, as we enter the busiest four-month period of the entire year, credit executives should dust off their promotional techniques and vigorously seek new credit volume. What they accomplish in this connection *now* might well prove to be the deciding factor in making 1954 a successful year for their firm. There is an abundance of sound credit business to be obtained by those who solicit it diligently and thoroughly. There are countless credit-worthy families who should be induced to turn their credit potential into actuality.

This Month's Illustrations ⟶

All letter illustrations shown this month are from the city of Minneapolis, Minnesota, and were assembled for us by W. F. Streeter, Credit Sales Manager, Boutells.

Illustration No. 1. This acceptance of new account letter, used by the Brown Clothing Company, mentions the specific terms of the account as an important part of the letter. This is a desirable procedure because new charge account customers should be indoctrinated into prompt-pay habits from the very beginning of the business relationship.

Illustration No. 2. This collection letter used by Powers Dry Goods Company is brief and to the point. The spirit of the letter is nonetheless courteous and cooperative.

Illustration No. 3. Here is an adaptation of the famous "halfway" collection theme as used by Boutells. Firms using this technique invariably report good results. Even when the letter does not bring immediate payment it often secures a definite promise to pay. Especially effective when it is desirable to obtain confirmation of the amount owing.

Illustration No. 4. Splendid example used by John W. Thomas & Co., of a formal yet cordial welcome to new charge customers.

Illustration No. 5. Another good example of the growing use of printed notices in the letter of welcome to new charge customers. This one is used by Boutells.

Brown's
306-10 NICOLLET
MINNEAPOLIS, MINN.

August 16, 1954

1

Mrs. John C. Customer
000 Main Street
Minneapolis, Minnesota

Dear Mrs. Customer:

Thank you for the privilege of adding your name to our list of charge customers.

Our varied lines of quality merchandise both for men and boys place us in an excellent position to take care of your requirements promptly. We sincerely hope the merchandise you purchase and the service we render will prove satisfactory and that it may be our good fortune to serve you often.

Your statement will include transactions of the previous month. Purchases made on our 3 Pay Plan are due 1/3 each month; 30 day charge accounts are due 10 days after receipt of statement.

We want you to thoroughly enjoy shopping on your account and your suggestions for the improvement of our services are always welcome.

Sincerely yours,

BROWN CLOTHING COMPANY

Ray Gates
Credit Manager

POWERS DRY GOODS COMPANY
ESTABLISHED 1881
MINNEAPOLIS 1, MINNESOTA

August 16, 1954

2

Mrs. John C. Customer
000 Main Street
Minneapolis, Minnesota

Dear Mrs. Customer:

When an account runs past the due date, we find that most of our customers appreciate a brief note about it.

Consequently, this note is sent to call your attention to the overdue amount shown on your last statement.

If you haven't already sent your check, won't you please let us hear from you at this time?

Yours very truly,

Collection Department

BOUTELLS

FURNISHERS AND INTERIOR DECORATORS OF HOMES AND INSTITUTIONS

Marquette at Fifth Street . phone FIllmore 2585

MINNEAPOLIS 2, MINNESOTA

3

THIS IS OUR SIDE OF THE STORY	WHAT IS YOURS?
All of us like to see the checks rolling in regularly. But when a customer gets behind we wonder why.	Check enclosed.
Usually there is a good reason for a delay in payment and our company has always tried to see the other side as well as our own.	The account has not been paid because ________
Your payment or an answer--please.	The account will definitely be paid up to date on ________
Your friends, BOUTELLS	
Credit Dept.	

5

BOUTELLS
Marquette at Fifth Street • phone FIllmore 2585
MINNEAPOLIS 2, MINNESOTA

Dear Friend:

It is with pleasure that we add your name to our list of charge customers and we wish to thank you for the opportunity of being of service to you.

We sincerely hope that your charge account with us will make your shopping more convenient, and that you will enjoy the friendly atmosphere of our store. It is our policy to give our customers distinctively styled quality merchandise, together with prompt and courteous service.

For your convenience, statements are rendered the first of each month. Purchases made the last three days of the month are applied on the following month's statement.

Cordially yours,

A. Davidson
Executive Vice President

John W. Thomas & Co.
Minneapolis

4

As a new charge customer of our store we extend to you a hearty welcome and invite you to take advantage of the many facilities and services now at your disposal.

New and exciting fashions arrive daily in our store . . . our sales people and fashion advisors are always at your service to help plan your entire wardrobe including suitable accessories for every occasion.

Of special interest, too, are our Silverware, Luggage and Gift departments which offer timely suggestions for special events.

We appreciate your confidence in our store and hope you find our service courteous and friendly in every way, and that we may have the pleasure of serving you frequently.

JOHN W. THOMAS & CO.

Nicollet at Eighth St.

Granting Credit in Canada

C. B. FLEMINGTON . . Canadian Correspondent

You and Your Customer Are Partners

CARL B. FLEMINGTON, F.C.I., F.C.I.S., ***Secretary-Manager,*** **Credit Bureau of Greater Toronto**

IT IS generally conceded that the vast majority of both charge and instalment accounts are contracted in good faith and with every intention on the part of the customer to adhere to terms. It is, however, not within the power of an individual to foretell the future and through force of circumstances beyond his control, previous good intentions may be interfered with. This may be brought about through illness, unemployment, change in financial status, depreciation of other assets or countless other means which would render adherence to agreed terms impossible.

There remains, however, a difference between an individual so affected and one whose actions betray his purpose, namely, to avoid just obligations or to defer payment until such time as suits his inclination. By such action on the part of the customer, all profit on the transaction would disappear and be replaced by a liability to the store.

In price setting on instalment charges, provision should be made for the length of time credit is to be extended, plus any reasonable default. It is quite possible that deferment may be exercised in payment to an extent where twice the allotted time is required to close an account; a situation which confronts all stores extending credit privileges.

Orthodox extension would then be only that period allowed to customers in good faith to offset any reverses suffered or alteration in status previously unforeseen. Extensions granted in cases where it is perfectly obvious that the customer is undeserving or falsifying information generally result in little or no appreciation of the favour from the customer and are futile.

Various types of extensions are in general practice. There may exist only a verbal understanding between store and customer or some written agreement provided. Except in cases of a special nature, it is wise to secure an acknowledgement of an extension granted if only to strengthen the moral value. When consideration is shown the customer is usually willing to pay for such and as a matter of principle, interest or carrying charges should be added. In the matter of written agreement as to extension, the wording may be either formal or informal, depending on circumstances, but in either case it should be conveyed to the customer that fulfillment of contract is definitely expected and an acknowledgement of the amount and terms included above the signature.

When an account is subject to extension, further buying should be restricted. This can be explained to the customer in such a way that no offense is caused and ultimately reacts to his benefit; and if properly adhered to, will prevent overloading. In the true sense, additional time is allowed because of the necessity or incapacity to pay so that if other obligations are added, no improvement in status may be expected. Should the situation be of sufficient extent, cash buying only should be encouraged until such time as the matter is again under control.

Extensions granted may well develop into good will builders, but if overindulgence or laxity is permitted, may prove to be the opposite. A customer should not be allowed to habitually request extensions from all creditors.

A practice which was formerly looked upon as the height of embarrassment and as an altogether unfortunate situation is that of personal financing, or the borrowing of money. Persons of reputable character and general well-being did not countenance the act and perhaps the methods of those days are ample justification for their viewpoint. The business originated with the pawnbrokers and "loan sharks" and practices indulged in and rates charged left much to be desired.

With improvements in the standard of living and the placing within reach of the ordinary consumer of the common luxuries of life, a new field was opened. This is what has now developed into the Personal Finance business, that of loaning money to the consumer. The ethics of the profession are now very much improved; in fact, it may be truly said that small loans are now looked upon as an integral part of our credit economy and the business generally is well managed. Rates and methods of conduct are supervised by the Government, with the result that the "Shylocks" have been eradicated.

Privilege of Borrowing Money

The privilege of borrowing money, whether on personal identification or by means of endorsement by others or pledge of collateral, is a service to the consumer if properly used. By this means, persons of small or ordinary resources are able to pay through future earnings for goods and services which would otherwise be denied. Money may be borrowed by responsible persons for multiple reasons, including education, sickness and hospitalization, vacations, etc., and in consideration of the payment of a reasonable interest charge may avoid worry and discomfort in connection with immediate financial matters.

The same holds good in connection with obligations previously contracted which have become past due through misfortune or overbuying. Responsible persons on proper application may borrow up to their requirements in order to reinstate their past-due obligations. These items may be paid off by the company making the loan or by the applicant, but when the latter is the case, care should be taken to ensure proper application of the money.

The money advanced may then be paid back through instalments over a period of months as arranged after taking into consideration the paying ability of the ap-

plicant. Such a system is of considerable benefit to the customer, as it serves to centralize his debts and avoids the possibility of embarrassment brought about by any separate actions on the part of his several creditors. It is also of value to the store as it saves time and expense in follow-up procedure.

When a customer's accounts become past due and he is unable to borrow money to solve his difficulties, his alternative would be to endeavour to effect settlement by amicable means through the method of pooling his accounts. This simply means that some third party acts as a mediator between the debtor and creditors. An appraisal is made of the person's earnings over and above living expenses and his creditors are then contacted with the idea of obtaining their consent to the acceptance of pro rata payments.

Within the realm of consumer credit, ample provision should be made toward assistance for the honest individual who, through force of circumstances, has been unable to meet his obligations. One way in which this may be made effective is for his creditors to agree to a pooling arrangement. This does much in establishing peace of mind and subsequent good will on the part of the consumer. Most persons are willing to do their utmost in meeting just obligations and if cooperation is extended on the part of the creditor, a past-due obligation may be retired profitably.

When confronted with financial difficulties, a person is unable to concentrate on matters relative to his livelihood, and if unduly pressed by his creditors, is compelled to do things he otherwise would shrink from. This may take the form of persistent stalling, hiding behind legal outlawry, or a petition in bankruptcy in most cases, of which the creditor would emerge the loser.

Although legally, in Ontario, a debt is outlawed after six years if no payment or written acknowledgement is received in the interval, no debt is *morally* outlawed if justly incurred. This is appreciated by the majority of debtors and, providing consideration is shown, they will do all in their power to justify this belief.

In the pooling of accounts, certain fundamentals must be recognized: A. The consent of all creditors must be obtained. B. The debtor must name all creditors lest any omitted should upset any arrangement agreed upon. C. The debtor must, wherever possible, cooperate in that a partial assignment of wages is paid over to the agency acting on his behalf. D. No further obligations should be incurred without knowledge of such agent. These are the main requisites of a satisfactory pooling arrangement. Most creditors will undoubtedly be sympathetic to a bona fide plan of this sort, especially if they are not in a preferred position where specific leverage is a factor such as pledged collateral or an individual assignment of wages.

Pooling of accounts is usually handled through solicitors, collection agencies or the Credit Bureau. Earnest application by the debtor can do much to wipe out past-due indebtedness and pooling, well administered, is mutually beneficial to both him and the creditors.

The disadvantages lie mostly in the unwillingness of either party; breach of contract on the part of the debtor, or mistrust on the part of the creditor. In some cases the creditor is not disposed to allow a commission for the work involved in accepting and remitting payments, or is jealous of the agency endeavouring to complete arrangements. Some systems, in pooling accounts, are able to operate on a small margin of brokerage charge which could, without undue hardship, be paid by the debtor in consideration of the work performed. With others it is almost necessary that both he and the creditor contribute toward the expense. A tremendous amount of detail is involved in obtaining necessary agreements of consent, etc., when arranging a pooling and if not entered into in good faith may prove very embarrassing to all parties.

Our experience has been, locally, that we would not care to consider such a proposition unless employment was firmly established, an assignment of wages in part agreed upon and a conviction that the debtor was sincere in his wish to have us act. The reinstatement of a debtor whose accounts were past due carries with it a lot of satisfaction in that the assistance given has provided him with a stimulus toward financial well-being and mental improvement. *Remember, you and your customer are partners.* ★★★

Annual Meeting at Port Alberni

A distinguished list of guests sat down to dinner with members of the Credit Granters' Association of Alberni District, marking the end of a successful second year for this young and growing Association. These guests, well-wishers from all over Vancouver Island on British Columbia's western coast and from the lower mainland, included: Tom Downie, Secretary, Retail Credit Grantors of Vancouver, President Walter Kerr and Past President Andy Gillespie; Charlton Smith of Victoria, President, Associated Credit Bureaus of Canada; W. G. Ellis, Manager, Credit Bureau of Victoria and Past President, Victoria Association; Wm. Harris, Bureau Operator of Mission, B. C.; Douglas Bibby, Bureau Manager of Nanaimo, B. C.; Charles Pierce, Bureau Manager of Duncan, B. C.; Jerry Gardiner, Bureau Manager of Courtenay, B. C.; and Walter A. Jensen, Field Secretary, District 10, N. R. C. A. Portland, Oregon, as guest speaker.

Chairman of the meeting and retiring President of the Association, Herb Barnes (a past President of District 10), reported that in the past year the Association had been incorporated and registered with the Registrar of Companies, under the B. C. Societies' Act. He also reported a definite improvement in Bureau service and reports, brought about by more noticeable cooperation from the members, and also because of more information going into the file because of the type of monthly meetings held, namely "name—discussion" meetings, where the membership exchanged information about accounts, and the Bureau was able to record such information for their files. It was reported that the membership had more than doubled in the past year from 25 to 52 members.

The new officers and directors elected were Ed Homewood, President; Robert Charnell, Vice President; Jack Natiw, Secretary; Herb Barnes, Past President and Treasurer; Catherine Skinner and William Russell, Directors.

Following the meeting, the new Directors gathered with the out-of-town visitors and plans were laid for the holding of a week-end credit conference to be held in the Alberni district about the first week end in November.

not be able to accept any more advertising from them until the account is paid. Most of them will come in and pay the old account and also pay for the new ad. At the same time we go through the usual routine of explaining to them that charges of this kind are accommodation charges and are due and payable in full upon receipt of invoice and that they have abused their privilege and it will be necessary for them to pay cash for any ads in the future. We have collected a large number of the old past-due accounts since we started making this permanent record in October of 1953. Prior to that time we worked from duplicate invoices and relied upon the memory of the girls working the accounts and checking copy to catch all the undesirables. I think a permanent record of slow and bad accounts is a "must."

A. W. Blieszner, The Pittsburgh Press, Pittsburgh, Pennsylvania: After our regular collection follow-up on small transient accounts has been exhausted, we refer them to the collection division of our local credit bureau. The percentage of collections made on these accounts has been good. We have found that in many cases the first notice sent by the credit bureau brings in the payment. Debtors realize that now our account has become a part of their permanent credit bureau record, and it induces them to pay the account to reinstate their credit rating.

Mrs. Daisy H. Dever, Greensboro News Company, Greensboro, North Carolina: I find that the most effective collection procedure on handling seriously past-due transient charges which are too small individually to justify legal action is to refer them to the collection department of our local credit bureau. In most cases where a customer values his credit, he is usually disturbed to know that his account has been turned in to the bureau.

H. E. Hull, The Detroit News, Detroit, Michigan: Some years ago we had an attorney on our credit department staff. He was no longer actively engaged in practice but maintained his membership in the Bar Association. After going through our regular collection procedure, we used form letters on stationery carrying his name and a different address than we commonly use as our own and found this fairly effective. Upon his retirement, this procedure had to be discontinued. We do get results through the use of letters of two different types which we purchase from the local credit bureau. These are sent out from our office, using a code signature so that any replies that may be directed to the bureau are forwarded to us. The results secured through the use of these form letters have been sufficient so that we continue their use, but we are looking for something to give the debtor one last jolt before writing the account off as a bad debt.

A. L. Jilly, The Peoria Journal Star, Inc., Peoria, Illinois: We use the services of a collection agency on all transient accounts over 60 days past due. A list of these accounts is compiled every three months, so some of the charges are actually 90 days old when the agency starts working on them. Our recovery with this method has averaged 54 per cent over the past five years. After the agency has had the accounts over 90 days, we list the items remaining unpaid at that time, and pass this on to our credit bureau for their records. This results in additional collections, from time to time, when these individuals in applying for credit elsewhere are reminded of an unpaid balance due us. In our case, this method has proved more effective than anything else we have tried. We keep a record of these collection agency accounts for five years, which is the Statute of Limitations in Illinois.

A. R. Peterman, Cleveland Plain Dealer, Cleveland, Ohio: Prior to World War II we had a staff of six transient account collectors, five with automobiles, whose job it was to work on past-due transient accounts. However, due to wartime restrictions and Uncle Sam's Army and Navy, our staff was cut to three collectors. In 1942 we dispensed with collectors entirely and to this day do not have any. It was then necessary to revise our procedures. We billed immediately after expiration and shortened our follow-up period by mailing out statements with stickers attached every 15 days. This procedure proved to be most effective. If the accounts are not paid after 120 days we turn them over to the collection division of our credit bureau, who, incidentally, does a wonderful job of collecting. We have found these methods satisfactory besides the savings involved.

Frank A. Schnell, Olean Times Herald Corporation, Olean, New York: Small past-due transient advertising accounts present a difficult collection problem. If such an account is over $10.00 it goes into our ledger accounts where it receives individual attention. However, if under $10.00, it is treated in a routine fashion. After receiving a two-cent post-card bill at the time the advertisement is completed, another post card is sent within a couple of weeks. This second bill is followed in about a month after the advertisement appears in the paper by one of a series of three form notices. These notices are gentle in tone and are printed on different colored paper. These messages are spaced about three weeks apart. If no response is received from the debtor, the classified manager sends out another form notice, signed by him and appealing to the debtor's sense of integrity and the responsibility of the credit manager in granting him credit. In spite of the fact that it is easy at this office to charge a classified advertisement and that we have what we call a lenient collection policy, our losses are comparatively low. We consider our classified page has a certain amount of promotional value.

G. W. Sites, Los Angeles Times, Los Angeles, California: Past-due charges for transient classified advertising, under most circumstances, should be too small for legal action inasmuch as the credit has been allowed as a courtesy without investigation and established basis for the accommodation. We have found a telephone message designed to appeal to the advertiser's sense of fairness and pride most productive. An explanation that credit was gladly given without question in full

expectation that the bill would be paid on presentation, usually does the trick. Ordinarily only one or two bills are sent on transient advertising and as a result, payment is often-times simply overlooked. Proper follow-up seems to be the only answer and an effective method used in our office is a special notice mailed in an open face envelope by the collector. It reads as follows:

Importance Notice

Payment of the items listed below has not been received. The charges covering your Classified Advertising were payable on presentation of invoice and in the event remittance has been overlooked, your attention at this time will be appreciated. Thank you.

The advertiser's name appears on the notice, as does the bill number and statement of payment terms. We will gladly supply copies of this notice to anyone interested and I assure you, the form is effective.

Petroleum

QUESTION

What preventive measures have been found most successful in eliminating fraudulent use of credit cards where the holder of the card goes on a buying spree in areas outside the particular company's marketing area?

ANSWERS

H. M. Barrentine, Skelly Oil Company, Kansas City, Missouri: Our most successful tool in preventing frauds and excessive credit card purchases outside of our marketing territory is through a mutual arrangement worked out between ourselves and our credit card interchange companies. We offer $5.00 and $10.00 reward for recovery of any credit card where evidence indicates fraud purchasing, or that the customer is on a buying spree. If the excessive purchasing were serious enough, we would increase the reward to $25.00. In other words, the amount of the reward is determined by the seriousness of the offense. Our arrangement is simple in that we either telegraph or call the interchange company, giving the customer's name and address, the card number, and pin-pointing the area of the customer's buying operations. Immediately a postal card mailing is prepared and rushed to all service stations in that particular area where the purchaser was last known to be. For instance, if the last charges show the purchaser in Portland, Oregon, then a postal mailing goes to those service stations in that area only. All such handling necessarily must be speedy, because as a rule, the purchaser is on the move. Once we establish a pattern of the customer's movements, we are able, in many cases, to recover the card, and thus stop the buying spree. Before going to the policy of cash reward, our notices to service stations asking for cards to be picked up where excessive purchases were evident, appeared to be generally ignored. At least we were hearing nothing from our effort. With the offer of cash rewards, we find that between 50 per cent and 75 per cent of our reward postal card mailings bring results within a week to ten days.

William Stockton, The Atlantic Refining Company, Philadelphia, Pennsylvania: This is a problem with which we fortunately have not had too much experience so far. From the experience we have had, the solution seems to be about the same as that employed where fraudulent buying takes place in our own marketing territory. The companies with whom we have an exchange arrangement cooperate very well in notifying their dealers not to give credit to particular customers and to pick up the credit card. We have done the same thing for these companies and have, in a couple of cases, stopped the unauthorized buying. It is not always quite as easy as this, as I have learned from other companies who have experienced rather high losses because of the misuse of cards under these conditions.

R. R. Thomas, The Shamrock Oil and Gas Corporation, Amarillo, Texas: This subject poses one of the most interesting as well as the most complex questions that the petroleum industry faces today in retail credit granting. While lost or stolen credit cards contribute their share to the fraudulent use of credit cards, most of the misuse and fraudulent buying is made by persons the credit cards have been issued to. When an oil company issues only a local card which is honored only in the area in which the issuing company markets and only good at its own stations, the problem of controlling fraudulent use is minimized and comparatively easy to handle. When a company issues a credit card that is acceptable in other oil companies' service stations outside of the issuing company's market area, then this is an entirely different situation. In most instances, the credit card interchange arrangement between companies does not permit the issuing company to request of the interchange company to bulletin or notify its dealers of a lost, stolen or "wild" card. Since we are not at liberty to request an interchange company to seek or assist in picking up a credit card which is being fraudulently used, we are faced with the problem of either waiting until the card expires, or use other methods to combat the situation. The most successful method we have found to be used in this situation is through the use of publicity and education. Each oil company through its own credit and marketing departments has, in the past few years, carried on an educational and publicity program with its dealers to prevent the fraudulent users of credit cards to gain a strangle hold on our business. We encourage our dealers to know their credit card customers when this is possible, and always to be alert for signs of fraud. Granted that 98 per cent of the people are honest, this leaves only two per cent of our credit card holders who would misuse their credit cards. We have made use of every opportunity to publicize to our dealers case histories of fraud. By furnishing our dealers examples and methods used by unsavory characters who would misuse their credit cards, the service station salesmen realize that we are ready to cope with such situations. We have not found any method other than publicity and education to combat the fraudulent use of credit cards in areas outside of our marketing territory.

H. M. G. Walker, Esso Standard Oil Company, Columbia, South Carolina: It seems to me that this question concerns primarily those oil companies engaged in a reciprocal plan with other oil companies. The problem would not present the same aspects to those companies operating on a nation-wide basis. I have no solution nor am I aware of any plan being practiced by

"Golden Years" (Beginning on Page 2.)

zine called the CREDIT LEDGER, and for the same length of time have carried on an advertising campaign in the various advertising media on the theme of "Pay your bills Promptly." In addition, much educational work has been done in connection with the public schools, with night classes being conducted every year for some time. Our work in these two fields has been observed and imitated throughout the nation.

The Minneapolis Chapter has also made contributions to the National Organization. The first National President and the first National Secretary were from Minneapolis. Sherman L. Gilfillan served as President of the N.R.C.A. in 1912 and 1913 and O. R. Parker served as Secretary the same years. Mr. Gilfillan later served as National Director for five years and as treasurer for two years. Milton J. Solon served as Second Vice President in 1927 and P. H. Carr held the same position in 1933. There have been ten national directors from Minneapolis and the city has been well represented on the board of the Sixth District, N.R.C.A. since its inception. We are justly proud of the work of our women and our Credit Women's Breakfast Club. Three of its members have served as President of the Sixth District C.W.B.C. and Lily Person was National President in 1942.

The Minneapolis Retail Credit Association is not the oldest association in the land, nor the largest. We do feel that ours is among the best and most progressive in the credit profession and we are proud to belong to this highly respected fraternity. On September 22, 1954 we are going to celebrate our Golden Jubilee. We invite all our friends throughout the United States and Canada to celebrate with us at that time. This would be a grand opportunity for those who have left Minneapolis (to make their marks in other communities and other fields) to return to the Vacationland of the North. Above all, whenever you are in Minnesota or the Upper Midwest, stop in Minneapolis, browse in its fine stores, inspect its nationally recognized Credit Bureau and visit with your friends in the Retail Credit Association. ★★★

"Management Institute" (Beginning on Page 8.)

homa City Retailers Association, and Roy Teter, President of District Seven of N.R.C.A.

Now you know what this is all about. The student expressions, the dormitory scenes, and the classroom work are all parts that fit into the picture of the Retail Credit Institute held at the University of Oklahoma during the week of July 12 to 16, 1954. In this month of September, it is only the recollection of a valuable and inspiring experience; but if you had a part in this adventure, you will not forget it. You will live again with these moments many times.

If you are not yet in the picture on page 8, you will want to be; and you will have the opportunity, because the Institute is here to stay. In 1953, the first year course attracted 52 enrollments. 23 of these students returned to take the second course in 1954. (10 new students, not working toward a diploma, also attended the second year course.) Most of the other 29 students will take the second course in 1955, and they will be joined by the 13 participants who completed the first course in 1954.

All three courses will be conducted at the University of Oklahoma from July 18 to 22, 1955. Experience indicates that with proper planning the student enrollment pattern next year will take shape something like this: 50 first year students, 30 second year students, and 15 third year students will report for classes. It is also safe to predict that the eyes of the nation's retail business personnel will be focused on the Institute commencement exercises for the class of 1955 because that event will mark a new milestone in adult education for the University of Oklahoma and the National Retail Credit Association. ★★★

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other companies who market similarly. A measure of control is practiced by some companies between their marketing divisions by means of a "stop list" but when fraud develops it invariably extends into areas of another company. A "stop list" in such cases not only is not permitted but would be ineffective and costly. Where fraud occurs in other areas, clearance would be through the home office of the company whose independent dealers are involved. Where a "stop list" is in use, it is my understanding that there can be no stipulation that the dealer is to pick up the card. While fraud may be established or generally believed to exist, it becomes increasingly difficult to obtain an admission by the dealer, in order to sustain a charge-back and recovery. The problem will not be solved; it can be remedied to a great extent, through education of our present dealers and the selection of new dealers, by repeatedly stressing the conditions under which credit cards may be accepted. To go a step further, we should, without reference to a specific dealer's violation, cite all recent instances where dealers have committed or permitted violations by their attendants and the amount of such charge-backs or loss to the company. Since much of the fraud stems from the sale of tires, tubes, batteries, accessories or fictitious services of more than nominal value, if all companies would require the attachment of warranties to the delivery ticket and insist on the insertion of the vehicle license number, these might have some deterring effect on the dealer and might be a clue to the apprehension of the defrauder. Instances of fraud are becoming more frequent and unfortunately they are not confined to persons holding credit cards. Dealers or their attendants are becoming more familiar with the system of credit card symbols and numbers and prepare fictitious sales in order to obtain an immediate financial benefit even though this may be of a temporary nature. The oil company that finds a solution to the problem should receive the thanks of the entire industry. ★★★

comparative COLLECTION PERCENTAGES

July 1954 vs. July 1953

DISTRICT and CITIES		DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES					
		1954			1953			1954			1953			1954			1953			1954			1953		
		AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.
	Boston, Mass.	39.0	44.9	30.3	39.8	46.3	35.6	18.1	32.6	7.5	13.2	19.8	7.5	—	—	—	—	—	—	—	—	—	—	—	—
	Portland, Me.	56.1	58.7	53.5	54.4	55.4	53.5	31.8	48.0	15.6	31.6	48.1	15.2	—	—	—	—	—	—	—	—	—	—	—	—
1	Providence, R. I.	49.3	52.3	45.8	49.2	52.0	45.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Springfield, Mass.*	67.5	75.2	59.8	61.9	65.1	58.8	26.7	28.2	25.2	23.4	24.8	22.1	—	65.8	—	—	64.6	—	—	53.1	—	—	52.8	—
	Worcester, Mass.	50.0	53.0	47.1	48.1	49.0	47.2	21.0	31.5	10.5	16.8	23.2	10.4	53.2	55.4	51.0	48.5	51.1	46.0	—	—	—	—	—	—
2	New York, N. Y.	44.9	51.1	36.1	45.6	54.1	31.0	13.8	17.9	10.7	14.5	19.5	13.7	40.9	45.3	36.9	41.3	44.0	39.5	46.9	48.1	45.7	49.1	49.3	48.9
3	Birmingham, Ala.	38.6	47.3	35.3	42.1	47.6	36.5	15.5	19.5	13.4	18.5	230	13.9	38.2	45.3	33.1	38.5	43.9	33.0	48.8	49.5	48.0	49.1	50.0	47.7
	New Orleans, La.*	—	—	—	41.5	43.4	40.1	—	—	—	—	9.6	—	—	—	—	—	—	—	—	—	—	—	—	—
	Cincinnati, Ohio*	—	—	—	56.4	58.8	53.8	—	—	—	15.7	20.8	11.0	—	—	—	58.3	64.0	52.6	—	—	—	—	56.1	—
	Cleveland, Ohio	45.8	54.6	41.6	47.1	54.6	42.0	19.4	23.5	10.9	18.8	23.3	14.0	42.0	52.1	28.4	33.5	57.8	26.2	64.9	91.9	44.7	77.1	90.3	46.1
	Louisville, Ky.	47.0	54.8	36.9	44.7	47.7	41.8	17.5	19.6	14.2	16.0	19.1	13.5	42.6	43.0	42.2	42.6	43.5	41.7	47.4	57.4	42.0	46.9	57.7	41.8
5	Milwaukee, Wis.	54.8	58.3	51.3	55.5	60.5	50.6	—	16.0	—	—	17.2	—	—	47.0	—	—	46.0	—	54.3	70.3	49.4	50.7	65.7	48.6
	Toledo, Ohio	48.0	51.1	29.1	47.3	50.7	37.7	16.4	19.0	12.3	16.4	18.3	14.0	54.0	54.4	53.7	57.4	60.5	54.2	—	54.0	—	—	57.4	—
	Youngstown, Ohio*	—	—	—	—	43.5	—	—	—	—	—	14.4	—	—	—	—	—	—	—	—	—	—	—	52.5	—
	Ottawa, Ont.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Minneapolis, Minn.	52.3	60.5	44.7	56.1	61.9	46.7	13.1	14.7	11.1	16.0	16.9	14.4	50.2	63.2	37.2	50.7	61.9	39.6	45.2	49.2	39.8	48.2	54.0	43.6
	Omaha, Neb.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	Kansas City, Mo.	51.4	58.9	41.8	53.7	53.9	38.2	15.8	16.2	7.6	12.5	13.4	9.1	58.4	62.3	52.3	56.7	63.2	48.6	—	—	—	—	—	—
	St. Louis, Mo.	53.3	56.4	50.8	55.2	55.4	55.3	19.3	20.8	17.9	19.0	21.2	15.7	—	57.9	—	38.0	55.0	28.2	50.7	51.9	49.5	50.3	53.6	47.0
8	Dallas, Texas	49.5	57.7	47.7	50.4	54.8	49.6	12.8	15.5	9.8	13.0	16.5	9.6	50.5	57.4	42.4	49.7	53.8	39.4	58.1	60.4	57.9	56.1	56.7	52.4
	Houston, Texas*	53.1	54.4	51.9	52.6	56.2	49.1	14.8	15.5	14.2	13.1	13.3	12.9	—	32.5	—	—	34.0	—	—	—	—	—	—	—
9	Denver, Colo.	49.1	53.0	43.9	56.0	52.5	37.6	16.2	23.1	14.5	14.2	20.4	12.7	49.5	53.0	46.1	50.4	51.6	50.3	49.5	53.0	46.1	50.4	51.6	50.3
	Salt Lake City, Utah	57.2	59.2	55.8	54.2	55.8	51.0	19.2	24.7	16.9	18.6	23.0	16.8	—	—	—	—	—	—	48.8	51.6	46.0	46.6	47.3	46.0
10	Spokane, Wash.	—	52.7	—	56.4	74.3	46.5	—	13.5	—	13.3	15.0	10.0	55.7	60.3	51.1	54.8	63.9	45.8	—	—	—	—	—	—
	Los Angeles, Calif.*	60.0	63.2	56.9	59.0	64.1	57.5	—	—	—	15.2	17.9	14.3	—	—	—	—	—	—	53.9	65.8	46.2	53.5	66.5	46.0
	Oakland, Calif.	58.6	59.6	57.3	56.9	62.4	55.7	16.7	19.7	14.3	17.4	20.0	14.3	56.7	60.1	53.4	58.4	66.0	50.8	—	48.7	—	—	52.1	—
11	Santa Barbara, Calif.	63.0	70.0	56.1	61.0	64.2	57.0	—	—	—	—	—	—	59.7	61.6	58.3	54.1	58.2	47.3	62.7	73.0	51.4	59.1	68.1	47.5
	San Francisco, Calif.	53.7	60.3	46.7	54.2	61.3	48.1	15.5	17.3	13.6	16.2	17.4	15.0	44.3	47.8	40.1	44.4	49.0	38.6	43.9	51.5	41.1	47.3	49.8	42.4
	San Jose, Calif.	59.0	63.9	50.0	57.3	62.8	48.4	18.8	21.9	15.8	—	20.9	—	—	—	—	—	—	—	—	—	—	—	—	—
	Baltimore, Md.	45.6	50.6	39.0	45.8	51.5	37.6	15.2	18.5	12.8	15.2	19.8	12.2	40.5	48.0	34.1	39.4	50.0	37.7	47.4	51.8	43.1	47.6	48.4	46.8
12	Philadelphia, Pa.	39.3	46.6	40.2	41.2	51.2	36.0	10.9	13.1	9.0	11.8	14.3	10.7	37.4	41.4	30.7	42.9	46.3	40.4	—	—	—	—	—	—
	Washington, D. C.	42.9	48.0	38.3	42.4	50.6	38.9	14.0	18.5	12.5	14.0	18.3	12.0	—	—	—	—	—	—	—	—	—	—	—	—

* Figures for June.

Consumer Credit for June

CONSUMER INSTALMENT CREDIT outstanding increased 178 million dollars during June to an estimated 21,110 million at the month-end. This increase, which was largely seasonal in character, compares with increases of 422 million and 732 million in June of 1953 and 1952, respectively. Automobile instalment paper outstanding increased 142 million dollars during the month, reflecting largely a further increase of 113 million in paper held by sales finance companies. Automobile paper held by commercial banks, other financial institutions, and automobile dealers showed smaller increases. Other consumer goods paper outstanding continued to decline, while repair and modernization loans were practically unchanged. Personal loans outstanding increased 58 million dollars. Charge accounts outstanding increased 40 million dollars during the month, reflecting increases at retail outlets other than department stores. Charge accounts at department stores continued to show little change. Total short- and intermediate-term consumer credit outstanding amounted to an estimated 27,779 million dollars at the end of June, 259 million above the preceding month-end and 368 million above a year earlier.—Federal Reserve Board.

Department Store Credit for June

INSTALMENT ACCOUNTS outstanding at department stores at the end of June were practically unchanged from the preceding month-end, and continued 6 per cent above the level of a year ago. The ratio of collections to instalment accounts outstanding at the beginning of the month was unchanged from the May ratio of 14 per cent. Charge accounts receivable were down slightly in June, when some decline is usual, but continued larger than a year earlier. A slight increase in collections on charge accounts during the month resulted in a collection ratio of 47 per cent as compared with 46 per cent a month earlier. Department store sales increased slightly in June, reflecting gains in credit sales. Cash sales, amounting to nearly half of total sales, declined fractionally. Compared with a year ago, cash sales were down 3 per cent, but charge-account and instalment sales were up, 1 per cent and 3 per cent, respectively.—Federal Reserve Board.

Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Annual Report

Postal Money Form: Major effort has been consistently directed over the past year to the question of revision of the postal money order form. It was modified in 1951, omitting the line for and the word "address" immediately below the name of the purchaser (at that time called "remitter"). The Legislative Committee passed a resolution on the subject in 1952 and the Annual Conference passed a similar resolution in 1953, recommending that the line for and word "address" be reinserted in the form.

Over a period of months, and many meetings with officials of the Post Office Department, it was pointed out that the omission of the address of the purchaser or remitter had caused substantial hardship to numbers of stores and others who received small remittances on account by money order. In many cases either the names were illegible or the name was similar to another account and difficulty was experienced in crediting such payments, often in amounts of $5.00 or less. The address of the remitter had been of considerable assistance in locating the account and making the proper credit entry thereon.

The position of the Post Office Department has been consistently that with the issuance of some 375 million money orders per annum the administrative burden on the part of issuing postmasters in writing in the address of the remitter was costly and overbalanced the advantages of having the address on the form. For that reason it was omitted. This was at the time when the Post Office Department was driving to cut expense and balance its budget.

However, as a result of persistent efforts, the Post Office Department, in a further recent revision of the money order form, has added a line under the name of the "purchaser" (as the person who buys the money order is now called, instead of "remitter") and below this line is the direction "Purchaser, Please Write Your Address Here." In other words, the purpose is to accomplish the same result of having the address on the order, to be written in by the purchaser after he makes his purchase of the order and before he mails it to the addressee.

It is also believed the cooperative efforts of N.R.C.A. aided materially in inducing the Post Office Department to conduct a campaign of publicity through posters in post offices calling attention to this recent change. In view of the well-known deficit problems of the Post Office Department, and the many proposals to increase mail and parcel post rates, it is felt that the administrative procedures as outlined above are substantially all that can be expected in this matter.

Chapter XIII of the Bankruptcy Act—the Wage-Earner Provisions: Another subject actively worked upon, and one which has been the subject of resolutions by the Legislative Committee and the Annual Conference, has been the question of increasing the statutory wage-salary jurisdictional maximum, provided in Chapter XIII, from $5,000 to $7,500. There was another problem of which the members of the Legislative Committee had been cognizant, but no previous action had been taken thereon. This was the problem of why broader use had not been made of Chapter XIII through the various bankruptcy districts of the country, in light of the apparently outstanding success of the use of the Chapter in the Birmingham, Alabama, area.

Your Washington representative, therefore, began to make investigation, particularly through the Office of the Administrator of the U.S. Courts, located in the Supreme Court building, Washington, D. C., which has jurisdiction of the administration of the referees and other matters relating to the administration of the Bankruptcy Act. As a result of these investigations and conferences a resolution was prepared and submitted to the annual Legislative Committee meeting on March 3, 1954, and was adopted. This resolution directed attention to the broad and favorable experience at Birmingham and recommended that as a result thereof, broad dissemination of all pertinent data as to Chapter XIII and its achievements, at Birmingham or elsewhere, should be fostered through all possible means.

This resolution was placed in the hands of the Judiciary Committees of the House and the Senate, respectively, and also the Administrative Office of the U.S. Courts.

Your Washington representative is presently working on the question of the introduction of legislation changing the jurisdictional amount from $5,000 to $7,500 or some other appropriate figure. However, it was soon learned that Congressional offices and committee representatives want a complete statement of reasons validating or making desirable the proposed change, and such a statement is now in process of preparation.

The Curtis Garnishment Bill: The hope of favorable action on H.R. 3602 introduced in the first session of the 83rd Congress by Congressman Thomas B. Curtis of Missouri, and which was patterned largely on the old Kefauver Bill, was blasted at a public hearing of subcommittee No. 5 of the House Judiciary Committee on May 26 and June 2, 1954. In effect the Adminis-

tration opposed the measure. The Administration spokesman was the representative of the Department of Defense who attended the hearing accompanied by a large staff of personnel officers and directors. Two of the six committee members had always opposed garnishment, having voted negatively in the House Judiciary subcommittee on the previous Kefauver Bill and/or on the vote taken in the House at that time.

One other Congressman, at the present hearing, definitely expressed his opposition, making at least three of the six members of the subcommittee opposed, so that there was no chance to get the bill out of committee. The sponsor of the legislation, Congressman Curtis, has indicated his willingness to introduce a new measure in the next session of Congress. He also expressed belief, following the adverse reception of the measure by subcommittee No. 5, that it was extremely unlikely that *House and Senate* action could both have been obtained under circumstances prevailing on the Hill, even if the measure had been reported favorably out of the House Committee.

This prognostication by Mr. Curtis seemed to your Washington representative to be so true that no sense of loss was felt at the Committee action. Rather, it appeared that proponents of the legislation may have gained considerable ammunition whereby to bolster similar legislation in the next Congress. This comes partly from a lengthy detailed analysis of the measure by the Department of Justice, submitted to the hearings, which took the position of not opposing the legislation, on policy, but pointed out a number of ambiguities or legislative problems arising from language in the present bill.

Since there will be no printed record of the hearing in this case, permission was obtained from Mr. Jonas of Illinois, chairman of the subcommittee, to withdraw a copy of the Department of Justice letter so that study and attention could be given to it. Congressman Curtis has expressed interest, for his consideration early in the first session of the next Congress, in having such an analysis, and a redrafted version of H.R. 3602 prepared, in response to the Justice Department criticisms.

Investigations and Opinions: The usual number of investigations and opinions on a fairly wide variety of subjects was handled during the course of the year.

A major effort has been made through "Items of Interest from the Nation's Capital" to keep members abreast of developments on H.R. 3602, Chapter XIII of the Bankruptcy Act, the proposed changes in the postal money order form, et cetera, administrative discussion or review of credit and other controls in the event of an emergency, in which the members of N.R.C.A. have been particularly interested. ★★★

NOTICE

To Local Association Secretaries:

It is frequently advisable to communicate with the President and Secretary of Local Associations. This information is missing in many instances.

Will you please forward us the names of the Officers and Directors of your Association, together with the name of the firm and address. We should also like the month in which your annual meetings are held.

A MESSAGE
FROM THE PRESIDENT

Fellow members of the Credit Fraternity:

THE OUTLOOK for the coming year is one of promise and unequaled opportunity. You as credit granters are in the position where you can help yourselves and your firms to make it the best ever. Over thirty-five thousand members striving to improve the handling and extension of credit are bound to make progress. Yes, even one member who constantly searches for better ways can accomplish wonders. Will that someone be you?

Over the years, advancement has been steadily made in the field of credit. This has been accomplished in no small measure through the leadership of a small group of stalwarts who supported our organization. Their success was due to the fact that they steadfastly believed in their purpose and worked constantly to attain it. Our sincere thanks to those men and women who have made the credit profession what it is today.

A continuing need is for even greater cooperation between credit granters and the Credit Bureaus. We must strive to improve our service to John Q. Public who in the final analysis foots the bill. Our aim should be to give deserving customers speedy and pleasant service and thus promote advances in sound credit business.

Constant education of our credit personnel is a need I urgently stress. Will every unit try to conduct a credit school during the coming year?

I am deeply grateful for the great honour that has been conferred upon me. I realize that with the honour goes a responsibility and I pledge to do all in my power to serve you effectively.

I need, and humbly solicit, your support.

W J Tate

PRESIDENT
National Retail Credit Association

THE EMBLEM OF NATIONAL RETAIL CREDIT ASSOCIATION FOUNDED 1912 SOUND CREDIT

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